

A CASE STUDY OF THE CONSOLIDATION OF FIVE NORTH CAROLINA SCHOOL
DISTRICTS: MOTIVATIONS, PROCESSES, AND IMPACT

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by
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Abstract

A CASE STUDY OF THE CONSOLIDATION OF FIVE NORTH CAROLINA SCHOOL SYSTEMS: MOTIVATIONS, PROCESSES, AND IMPACT

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This case study explores the impact of school district consolidation in five North Carolina school districts—its success or failure based upon the reasons for consolidation and the processes employed, in light of existing research literature, five indicators of success, and stakeholder perceptions. The study asks why the school districts decided to consolidate, what processes were used, and what impact, if any, did consolidation have? The findings of this study suggest that while the five indicators of success reveal mixed results, stakeholders viewed consolidation as having been a success based on other factors. Indicators of success selected by the researcher included student achievement, expenditures, and other outcomes such as graduation rates and attendance. Stakeholders identified measures of success as equalized funding and taxes, better facilities, better opportunities for students, a more unified spirit, and the continuation of friendly rivalries. Equally important, the context of the individual school districts heavily influenced all aspects of consolidation. Context is defined as the set of circumstances or facts that are unique to a district.

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And finally, I acknowledge the Lord's hand in this accomplishment. It took a lot of answered prayers and I am humbled and grateful.

Dedication

In loving memory of Guy Paul Honeycutt and Pauline Houston Honeycutt, my daddy and mother, my first teachers...this is for you!

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CHAPTER 1

Introduction to the Research

Public education in the United States is under attack today. School districts across the nation are increasingly defending their academic records while withstanding challenges from private and charter schools. The result is shrinking student populations, increasing accountability measures from federal and state authorities, and loss of public confidence. These challenges, occurring during a time when the national economy is struggling, have resulted in decreased federal, state, and local funding for schools that are still required to implement an ever-increasing number of costly reforms. As a result, State Legislatures and school districts across the nation are searching for ways to save money, do more with less, and still provide the growingly complex academic offerings the public expects (Barkin 2014).

One cost-cutting reform that State Legislatures often invoke in lean times is school district consolidation. In 2004, the North Carolina legislature considered funding only one school system per county (Barkin, 2014). As recently as the summer of 2015, the North Carolina legislature gave the State Board of Education authority to merge contiguous county school administrative units (NC Association of School Administrators, 2015). In the cross-hairs of this consolidation movement are the last 15 independent city school systems that exist in North Carolina. Legislative action is only one of three processes by which consolidation can occur in North Carolina. The other two include mandated consolidation by the Board of County Commissioners or a request for consolidation by one or more local Boards of Education (NC Statute 115C-67).

The 15 city units that still exist in North Carolina are Asheboro City Schools in Randolph County; Asheville City in Buncombe County; Chapel Hill-Carrboro in Orange County; Clinton City in Sampson County; Elkin City and Mt. Airy City in Surry County; Hickory Public and Newton-Conover City in Catawba County; Kannapolis City in Cabarrus County; Lexington City and Thomasville City in Davidson County; Mooresville City in Iredell County; Roanoke Rapids and Weldon City in Halifax County; and Whiteville City in Columbus County. As of 2014, at least two of these were debating consolidation (Barkin, 2014).

Problem Statement

Much of the existing literature on school system consolidation focuses on the pros and cons of consolidation, and even then, the experts do not agree. To date no studies have examined why specific North Carolina school districts chose to consolidate and determined if the process they utilized added to or detracted from consolidation or if consolidation proved to be successful.

The efficiency of operating multiple school systems within a single county is often called into question when funds are scarce (NC Association of School Administrators, 2015). While it seems obvious that a system of only five to six schools would cost less to operate than a district of 20-25 schools, the larger district may actually operate more efficiently than the smaller district due to its combined buying power, or economies of scale (Kamerzell, 1994). And yet, Andrews, Duncombe, and Yinger (2002) argue there is an optimal size for cost effectiveness beyond which there is no further bargaining advantage and can be detrimental to student achievement.

Student achievement is another factor that is often considered when school systems consolidate (Berry, 2003; Brigman, 2009). There are, however, two sides to the student achievement issue. Larger consolidated school systems result in larger student bodies. School systems with larger enrollments must offer more classes to accommodate the greater number of students. These larger numbers of students create a need for more classes than do schools with smaller numbers of students (Heinz, 2005). Berry (2003) found that a larger student pool is also more likely to bring greater competition for class ranking, often considered a hallmark of greater student achievement levels. On the other hand, Hoxby (2000) has shown that smaller districts with smaller schools tend to generate superior academic performance and better attitudes toward school than do larger districts due to the up-close and personal relationships students can form with their teachers. Likewise, sports programs often flourish following school district consolidation (Kay, 1982). Existing research on school district consolidation focuses mainly on three aspects: cost efficiency, student achievement, and other educational outcomes. These are the “big three used to justify school system consolidation” (Brigman, 2009).

This case study examines the merger of five North Carolina school districts into two consolidated districts—the specific reasons why they chose to consolidate, whether the process was effective, and the overall impact. Quantitative data tied to specific indicators, such as student achievement, spending, and attendance, was collected and juxtaposed against qualitative data gathered from surveys and interviews of participants in the consolidation process. The information gleaned from this process was used to draw conclusions on why these systems chose to consolidate, whether the process utilized was effective, and whether the impact of consolidation was as predicted in the literature. Findings from such a case study

should prove useful for school personnel and other stakeholders in North Carolina who want to determine if they should implement school district consolidation in the future.

Research Questions

To provide focus for this research, the following research questions were developed:

- 1.) What were the reasons why the selected school districts decided to consolidate?
- 2.) What process was used to implement consolidation and how effective was it?
- 3.) Based upon specific measures of success selected by the researcher, what was the impact of school consolidation?

For purposes of this study, the measures of success used to gauge the impact of consolidation were:

- Student achievement,
- Operating costs and capital outlay,
- Other educational outcomes, such as graduation rates and attendance.

These three indicators are frequently cited in the research literature as reasons school districts choose to consolidate (Berry, 2003; Brigman, 2009; Clark, 2013; Giddy, 2006).

Information gleaned from participants in this study, who were stakeholders during the consolidation process, can provide additional indicators of success based upon the context of the school districts and information about what the two districts expected to gain by consolidating.

Methodology

To sufficiently address the topic of consolidation, a case study was conducted. A case study approach yielded the best results because the study addressed observation and

concepts about social structures in natural settings close at hand (Feagin, Orum, & Sjoberg, 1991). I began with an examination of the primary documents that apply to the consolidation in each of the school systems in the study. These included Board of Education minutes, *Merger Analyses*, *Plans of Merger*, and newspaper articles. This document review of primary sources allowed me to better understand and interpret perceptions disclosed later in surveys and interviews. A case study design is flexible enough to allow for emerging themes and concepts that evolve through the collection, analysis, and interpretation of this data. Using Statistical Profiles available on the North Carolina Public Schools website, data was then collected on student achievement levels, graduation rates, operational and capital outlay costs on a per pupil basis, and the districts' state ranking in spending during three periods of time. Individuals identified by the Office of the Superintendent in each school district as stakeholders and participants in the consolidation process were surveyed as to their perceptions of the district's reasons for consolidation, the process their district employed to accomplish consolidation, and whether the impact of consolidated was what they expected. Twenty-three interview questions were then derived from a narrative analysis of survey responses. Follow-up phone interviews, using these questions, were then conducted with six individuals who self-identified for additional conversation. At the same time, quantitative data was gathered from NC Public Schools Statistical Profiles, located on the North Carolina Public Schools website, showing the metrics for each school system related to the indicators of student achievement, expenditures, and other educational outcomes. The qualitative data gathered through surveys and interviews of individuals who were directly involved in consolidation, along with quantitative data gathered, enabled me to answer the research questions and allow the triangulation of themes that emerge from the study.

Significance of the Study

In most cases, the purpose of school district consolidation is primarily to cut costs and save money (Boser, 2013; Clark, 2013; Conant, 1959; Giddy, 2006). Because school systems rarely have enough money, arguments based on economies of scale are a powerful force propelling the consolidation movement (Kamerzell, 1994). Boser (2013) points out that while consolidation may result in some savings to districts, the amount of savings generated depends on the size of the district and other factors. Titus and Ross (2007) argue that while it is widely assumed that merger in the private sector increases efficiency and decreases costs, in school systems there is a U-shaped curve for economies of scale. Both very small and very large systems are less cost-effective than medium-sized districts. The optimal size for cost effectiveness, according to Andrews, Duncombe, and Yinger (2002), is a district of about 6000 students. Beyond that size there is no further bargaining advantage (Andrews et al., 2002; Slate & Jones, 2005).

Improving student achievement is another reason school districts often consolidate. Larger numbers of students can support a wider variety of course offerings. Larger pools of students are also likely to bring more competition for class ranking, thus improving achievement (Berry, 2003). Indeed, Brigman (2009) found that academic achievement often improves following consolidation. On the other hand, other studies found that smaller districts and smaller schools generate superior educational performance, result in better attitudes toward schooling, and lower drop-out rates than do larger schools and districts (Titus & Ross, 2007).

This study intends to examine the impact of school district consolidation in five North Carolina school districts—its success or failure based upon the reasons for consolidation in

light of the existing research literature, selected indicators of success, and stakeholder perceptions.

Definition of Key Terms

Consolidation and/or merger. For the purpose of this study, these two terms will be used interchangeably and represent the same concept. Consolidation occurs when the administrative educational, fiscal, and material resources of two or more school districts are merged into a single administrative unit (Howley, Johnson, & Petrie, 2011). Additional synonyms include *unification* and *reorganization*.

Context. The set of circumstances or facts that is unique to that district.

Economies of scale. “Factors that cause the average cost of producing something to fall as the volume of its output increases,” (Boser 2013, p. 100). Specifically, the relative cost of educating students goes down as the number of students increases. In the merger process, economies of scale occur when the combining of two or more school systems into one leverages the buying power of the school system so as to reduce costs.

Per pupil expenditures. The amount of money expended by an educational entity on each enrolled student. For the purposes of this study per pupil expenditures will include operating costs from federal, state, and local funds expended by a school district for each student enrolled.

Specific indicators/measures of success. For this study these will include the student achievement proficiency levels, graduation rate, operating costs, capital outlay, and state rankings in spending as they relate to individual schools.

Student-Teacher ratio. The overall average number of pupils assigned to any one teacher within a given school or district.

Organization of the Study

I will present the study using the standard five-chapter organization. In Chapter 1, I provide a vignette that serves as a precursor to the significance of the study. Key terms relevant to the study are also defined. Chapter 2 includes a comprehensive review of the literature about school district consolidation in the United States. The history of consolidation, reasons why school systems consolidate, processes utilized to accomplish consolidation, impacts of consolidation, alternatives to consolidation, and the deconsolidation movement are discussed. Chapter 3 addresses the study's research methodology. I outline the research design, the role of the researcher, ethical issues, criteria used for the site selection of the study, identification of the sources of data, procedures used to collect the data, and the processes implemented to analyze the data. Chapter 4 focuses on the findings of the research. The presentation of the findings includes the themes, patterns, commonalities, and discrepancies revealed during the study. Chapter 5 recaptures the key events of the study while providing a summary of the results. Implications for practice and for future studies are also presented.

CHAPTER 2

Review of the Literature

The education of children is vital to the success and prosperity of any society. Since the earliest days of education, there have been differing views of the kind of education a child needs to become a productive citizen (Goldstein, 2014). Of course, in its infancy, our young nation had no formal structure for the education of its children. Initially established and governed locally, schools tended to be one-room and one-teacher affairs. With the adoption of the Federal Bill of Rights in 1791, educational responsibility was delegated to individual states under Article X of the United States Constitution. Consequently, schools became a public enterprise in each of the fifty states. In the early years, the numbers of students were small and limited primarily to those within walking distance of a public school and those with the time and means to afford an education. With the advent of the automobile, distance was no longer an issue, and school populations began to grow, especially near towns and cities. Post World War II, the historical trajectory of school district populations has trended towards larger rather than smaller school districts (Goldstein, 2014).

Beginning in the 1930s, and continuing until 1970, school reformers advocated the consolidation of schools and districts as a means to improve education by reducing costs and providing better services (Boser, 2013; Clark, 2013; Conant, 1959; Giddy, 2006). Reducing costs was easily accomplished during this time as the consolidation of the existing smaller systems easily resulted in economies of scale. Improved transportation systems based on improvements in roads and vehicles lessened the need for schools being located within a student's walking distance. Consolidation during this period resulted in larger student bodies

that allowed schools to offer a wider variety of curricula resulting in better services (Conant, 1959). Perhaps one of the most noted reports during this period was that of James Conant's 1959 book *The American High School Today*, in which he argued that high schools needed at least 400 students to be able to offer a "comprehensive" curriculum.

In 1970, Meeker and Weiler argued for larger sizes for districts and schools, based on the premise that there were still economies of scale to be achieved. Since that time, researchers from Howley, Johnson, and Petrie (2011) to Boser (2013) have warned that "consolidation has succeeded to the point that it has likely over-reached its aims" and that many districts are now far too large to be fiscally efficient.

The topic of school district consolidation seems to arise whenever revenues are down. The 2008 recession of the United States' economy, coupled with unstable global markets, have led State Legislatures around the country to once again consider school district consolidation as a means of cutting costs and saving public spending (Barkin, 2014). As of February 2011 school district consolidation has been enacted or proposed in Arizona, Arkansas, Indiana, Kansas, Maine, Nebraska, New York, and Vermont, as well as North Carolina (Howley, Johnson, & Petrie, 2011). It appears that the consolidation approach to cutting costs and improving educational services for students in public schools is still considered by many to be a viable option. But what would a case study of specific districts tell us about what factors stakeholders consider when determining whether or not to consolidate, whether the process is effectively utilized, and whether the resulting impact is reflected by the existing literature? There is a need for a case study that explores these

questions especially for legislative members, school boards, citizens, parents, and other stakeholders who continue to revisit this approach to saving money and improving public education systems.

Controversy often surrounds school system consolidation. The reasons for this controversy vary. Not all consolidated districts seek to merge on their own. Some districts have it forced upon them by county commissioners or State Legislatures. Clark (2013) refers to district consolidation as a “shotgun marriage” because constituents typically enter into consolidation after having been given no other choice. Consolidation movements often grow out of some discontent. For instance, many districts face consolidation as a last resort after years, even decades, of underachievement by their students, or after decades of revenue losses due to falling student enrollment (Barrett & Greene, 2014).

Often, the controversy of consolidation centers on autonomy or the lack of it (Barrett & Greene, 2014). When smaller districts are forced to consolidate with larger districts, as could be the case in the 15 city units in North Carolina, constituents of the smaller district worry about a reduced representation in the superintendent’s office with their community being marginalized. Additionally, communities faced with the consolidation of their school districts experience the elimination of a community focal point that has played an important part in the identity of the community (Brigman, 2009). The loss of a school or schools due to district consolidation can affect a community both socially and economically. Most community members have some association with the schools in their community, either as former students themselves or as parents of current or former students. Economically, communities sometimes lose because property values decrease when some schools close as a

result of school district consolidation. Likewise, jobs associated with one or more of the school districts can be lost, further affecting the local economy (Howley, Johnson, & Petrie, 2011).

Consolidation Defined

Consolidation is a familiar strategy used by business management to reduce costs and increase uniformity (Giddy, 2006). In education, consolidation usually results in (a) combining districts and/or (b) closing schools, which sends students from the closed schools to other, sometimes larger and newer, schools (Howley et al., 2011). This study focuses on the former. Other synonyms for consolidation, found in the literature, are *school unification*, *reorganization*, or *merger*. Regardless of the terms used, the perception of the affected communities may all too often be that someone wins and someone loses as a result of the process (Bard, Gardener, & Wieland, 2005). In addition to cost savings, successful school consolidation occurs when student achievement increases, community satisfaction grows, and employees feel productive and successful.

The History of School Consolidation

According to Heinz (2005), consolidation of schools in the United States can be traced as far back as the 1800s. The first major movement toward school district consolidation was a result of the industrial revolution. Mimicking the introduction of the assembly line and its example of rapid manufacturing by the grouping of large numbers of workers together rather than a single craftsman working alone, the consolidation movement emphasized strength in numbers. Early school reformers and policymakers believed that an

industrialized society required schools to follow a common educational model. Consequently they began to advocate for more of an urban, centralized model of education (Coulson, 2007).

An Historical Perspective of Factors Contributing to Consolidation

The invention of the automobile in the 19th century, along with improved road construction, allowed students to travel further distances in shorter amounts of time. This made the one-room schoolhouse, necessary with the early settlers, unnecessary. Students now had the means by which to travel to the larger, consolidated schools that were already viewed by policy makers as a means for providing students with a more comprehensive education (Bard, Gardener, & Wieland, 2005). In addition, private businesses such as International Harvester (IH) joined the ranks of those encouraging consolidation, but for a very different reason. Their motive was economic gain. In the 1930s IH produced a catalog promoting its newly manufactured school buses (White, 1981). The sale of the new buses was important to the economic growth of the company and necessary if students were to travel to schools located at a distance farther than they could walk. The decline of the agrarian economy also contributed to society's move away from the one-room school house situated in each small town (Heinz, 2005).

School size is a theme throughout the consolidation literature. Does size matter in the education of students? According to Irmsher (1997), the large-school movement can be traced to Conant (1959) who first defined the American high school in the twentieth century. The report appeared just as voices were growing critical of public education. Sputnik had just been launched and society was blaming public schools for the failure to be first into space. Conant (1959) proposed that larger high schools with graduating classes of

at least 100 students could better meet the educational needs of all youth in the community because it could offer more elective classes and provide programs to prepare students for education beyond high school. Conant concluded that education's greatest problem was the small high school with its limited faculty and curriculum, and that its elimination would result in cost-effectiveness as well as greater academic offerings (Conant, 1959).

The political climate in which the consolidation movement flourished is one of international competitiveness (DeYoung, 1989; Spring, 1987). In addition to Sputnik, the Cold War increased concerns that the small high school was not creating the human capital necessary for national security (Ravitch, 1984). Although Ravitch (1984) later reversed her view on this issue, the belief at the time was that centralized control of education by professional educators was preferred over decisions made by members from the local community. Community members were believed to be more interested in preparing students for life rather than in developing them as human capital with the potential to contribute to the nation's well-being. According to Tyack (1999), "the easiest way to curb the influence of school trustees in these rural districts was to abolish as many districts as possible, or euphemistically, to consolidate them" (p. 4).

Further, a series of economic downturns in rural areas contributed to the continued move for school consolidation. The decade from 1970 to 1980 saw more migration toward urban areas. Smith and DeYoung (1998) noted that the net migration from farms to cities was more than 30 million people from 1933 to 1970. As a result, rural public education numbers declined and the cost of educating rural students began to rise. This combination of declining

enrollment and increasing costs resulted in financial crisis for many rural school districts. In many cases their only chance of survival was to merge with other rural districts or with wealthier city units.

The decade of the 1980s ushered in a farm crisis in which profits across the board decreased. The loss of profits curtailed the use of modern farming techniques that were needed for large-scale operations and led to the loss of family farms. This economic decline in agriculture further created a ripple effect on the non-farm economies of rural communities. This in turn resulted in more rural graduates relocating to urban areas where jobs were more plentiful (Lasley, Leistriz, Lobao, & Meyer, 1995).

A Nation at Risk: The Imperative for Educational Reform, the 1983 report by the National Commission on Excellence in Education, is considered a landmark event in modern American educational history. Among other things, the report contributed to the ever-growing sense that American schools were failing. The study touched off a wave of local, state, and federal reform efforts (DeYoung & Howley, 1992). The report echoed earlier concerns that schools should be producing students who had the skills and values to contribute to a national social and economic order.

Reasons Why School Districts Consolidate

School districts consolidate for a number of reasons. A number of viewpoints support the idea that school consolidation is beneficial to the districts and students involved. One of the most prevalent of these is that of economies of scale. Clark (2013) argues that it seems common sense to expect that the larger a school district, the more efficiently it can operate. Lower enrollments result in increased costs of operation per student. Because

school systems rarely have enough money, arguments based on economies of scale have been a powerful force propelling the consolidation movement (Kamerzell, 1994).

Indeed, consolidation does provide some financial and curricular advantages. Consolidated schools can share courses and facilities. Sharing courses leads to more varied curriculum because a larger enrollment results in less elimination of classes (Brigman, 2009). Fewer teachers for the same subject are needed, thus reducing costs, when classes are combined. Likewise, the combining of buildings results in the need for fewer principals, as duplicate services are eliminated (Heinz, 2005). Costs for capital improvements and routine maintenance are reduced because there is no duplication of facilities or services. Buying in bulk by one entity can also result in cost savings.

Other proponents of consolidation point to improved academic achievement as a result of school merger (Berry, 2003). The thinking is that larger numbers of students demand a wider variety of course offerings. For example, smaller high schools may not be able to support more than one offering of world language, while larger schools are able to offer numerous languages due to the larger number of students available for such classes. Larger pools of students are also likely to bring more competition among students for class ranking. Instead of several top students competing for class ranking in a smaller high school, large high schools bring together many such high achieving students thus resulting in greater academic competition. Such competition is likely to result in higher achievement.

In one western North Carolina county, for instance, the district's Testing and Accountability Department found that academic achievement improved immediately following consolidation (Brigman, 2009). Likewise, school consolidation can often result in

psychological benefits. As schools increase in size they often gain in confidence. A new identity is formed. Sports programs often flourish when funds are combined and the player pool is larger (Kay, 1982).

Improved educational opportunities for students and teachers are another desired outcome of school district consolidation. School districts are always working to expand curriculum offerings for students, lower class size, and increase student participation. Likewise, school districts constantly work to increase teacher satisfaction and retain their teaching force. School district consolidation is often seen as means for expanding opportunities for students and teachers as services, budgets, and programs are combined. Budget constraints, paired with a smaller pool of participants, make smaller school districts less likely to expand curriculum offerings for students or to be able to provide extensive professional development for teachers. Boards of education often view school district consolidation as a way to increase a district's human, fiscal, and building resources, making it possible to offer better professional development for teachers, lower class size, and to expand curriculum offerings (Doris-Keller, O'Hara-Miklavic, & Fairman 2013).

The School Consolidation Process

The legal basis for consolidation in North Carolina. There are three ways defined in statutory law by which school district consolidation can occur in North Carolina. The first of these is through the merger of units in the same county (NC General Statute 115C-67). In this scenario two or more boards of education within one county mutually agree to merge with the approval of the county commissioners. The second scenario is the merger of units within a county by the board of county commissioners (NC General Statute 115C-68.1). In

this situation, the boards of commissioners develop the merger plan. The third way consolidation could occur is through Legislative mandate (NC General Statute 115-C67).

The consolidation process. Whether the merger plan is developed by the County Commissioners, agreed upon by two or more Boards of Education, or mandated by Legislative action, many variables must be considered to insure a smooth consolidation process. NC General Statute 115C-67, clearly defines the processes and procedures for accomplishing consolidation. The statute requires that a merger plan be developed by the Board of County Commissioners, who may consult with local Boards of Education. The state statute outlines nine items that must be included in each plan. These items are “(a) the name of the new system; (b) the effective date of consolidation; (c) the establishment of a Board of Education for the new system; (d) the duties and responsibilities of the Board of Education; (e) the transfer of all assets; (f) whether any supplemental taxes are in effect and will continue; (g) certification that a public hearing was held; (h) whether the consolidation is contingent upon the approval of voters (a referendum) or not; and (i) any other conditions or requisites to consolidation” (NC General Statute 115C-67). The general statute also requires that the plan be approved by the County Commissioners, be recorded in the Board of County Commissioners’ minutes, and then be submitted to the State Board of Education for approval with a copy to be filed with the North Carolina Secretary of State. Once approved by the State Board, the standing Boards of Education are abolished, and the consolidation becomes final and cannot be changed except by the General Assembly.

In addition to these required items, existing literature recommends additional steps to be included in the process of consolidation. Andrews et al. (2002) agree that one of the first requirements is allocating sufficient funds to educate the certified staff, students, parents, and

community at large about the culture of the schools involved and about each other. Educating the public helps to put a human face on the other schools involved. To get to know each other's cultures helps each value the traditions of the other and see them as having worth. It is easy to assume that the school culture and traditions with which one is most familiar are the more valuable until one begins to learn and understand the value of other traditions. Educating the public might include public hearings, open forums, Q&A sessions, news articles, and the like.

Next, transition teams made up of board members, parents, students, educators, and the public should assist in the work of understanding and sharing the different school cultures. Brigman (2009) suggests that a slow pace and strong two-way communication between the transition team and the public is imperative to good pre-consolidation activities.

Similar to the State Statute requirements, Titus and Ross (2007) believe that best practice is to allow a minimum of one year between the approval of the merger plan and the actual effective date of the merger. This gives districts time to plan and carry out the necessary steps for a smooth consolidation. Slate and Jones (2005) agree that early on an interim board of education must be formed to oversee the transition and later interview and hire the new superintendent and other key positions. They further support the recommendation that current employees should be held harmless for the first two years of the new merger. This means that all current staff would be guaranteed their jobs, at the same rate of pay, for the first two years following merger. This practice allows current employees from the different systems to work together on committees to merge current practices and procedures. Committees made up of current, key players from the departments of Human

Relations, Curriculum and Instruction, Finance, and Testing and Accountability are able to focus their attention on merging best practices when they do not have to worry about whether or not they have a job. Involvement in this development of new policy also creates buy-in of these employees for the new district. Those that choose not to move to the newly consolidated school district also have time to look for a position in another district.

Another suggested best practice is to house newly merged staff under one roof as soon as possible after merger (Titus & Ross, 2007). This allows current employees from all districts involved in merger to work together to create new procedure manuals. Key employees at the district level can more easily meet together, get to know each other, and begin the work of the merger when they are housed in one building. These steps are a type of blueprint for consolidation. Examining the processes of the two school districts in this study in light of these considerations can help determine how the processes that they used impacted the district for better or worse, and perhaps be useful information for other districts as they develop their own processes to implement school district consolidation.

The Impact of Consolidation on School Systems

The impact of consolidation is what happens as a result of two or more school systems into one and should be considered very seriously before consolidation is enacted. By whatever process they use, school systems that enter into consolidation primarily for the reasons of cutting costs and improving student achievement, should be aware that they are flying in the face of existing literature. Moreover, much of research on the subject shows that the impact of merger is not always all that it promises to be (Cotton, 1999; Coulson, 2007; & Clark, 2013). Some opponents suggest that consolidation's impact can often do more harm than good by creating greater bureaucracy, less participation in decision-making by teachers

and administrators, less parent-teacher involvement, less human contact, less savings, and more frustration and alienation of both students and staff (Clark, 2013).

In several studies from 1960 through 2004, there was little evidence that consolidation reduced fiscal expenditure per pupil (Eyre & Scott, 2002; Hirsch, 1960; Reeves, 2004; Sher & Tompkins, 1977). The National Rural School Educational Association (2005) concluded:

School consolidation produces less fiscal benefit and greater fiscal cost than it promises. While some costs, particularly administrative costs, may decline in the short run, they are replaced by other expenditures, especially transportation and more specialized staff. The loss of schools also negatively affects the tax base and fiscal capacity of the district. These costs are often borne disproportionately by low-income and minority communities. (p. 3)

Irshmer (1997) warned that the savings projected by many proponents of school consolidation never materialize. In fact, she went on to explain that diseconomies or penalties of scale are often produced. When numbers of dollars spent are calculated on the larger number of students graduating, the cost is actually greater than that of smaller schools.

School systems often assume that consolidation increases efficiency and decreases costs; however, this is not without cost. Andrews et al. (2002) have shown that there is a U-shaped curve for economies of scale in school systems. Both very small and very large systems, represented by top two points on the U, are less cost-efficient than medium-sized districts, represented by the lowest point on the U. In the case of small districts, not enough buying power results in paying higher prices. In large size districts higher costs are caused by per pupil costs and the extra administrative layers that are required to manage a larger constituency (Titus & Ross, 2007). Various studies have found that the optimal district size to facilitate cost effectiveness is 6000 students (Andrews, Duncombe, & Yinger, 2002).

School systems must be aware that economies of scale can create savings only to a certain point because all goods and services have a minimum cost. Beyond this point, increasing the number of students does not create any further bargaining advantage but does increase the need for additional management, which in turn creates additional costs (Slate & Jones, 2005). As Titus and Ross (2007) concluded, “Any significant savings as a result of merger benefited the state and not local governments” (p. 17) or their people. In fact, some counties involved in the process of consolidation can be faced with the difficult decision of cutting programs or expending other revenues when supplemental taxes provided by city systems are abolished through merger.

Revenues to districts may also be reduced during merger when high percentages of at-risk students are diluted by the larger numbers of students who are not categorized as such in a consolidated system (Titus & Ross, 2007). For instance, most districts receive sizeable amounts of federal funding from sources that target high concentrations of socioeconomically disadvantaged students. In a merger where there are a larger number of wealthier students, these percentages can often be reduced. As a result, funding streams can be significantly reduced or eliminated. In order to maintain current levels of service, districts facing such reductions have to decide between reducing services or backfilling from their local budgets (Titus & Ross, 2007).

A study by Lyson (2002) found that communities that lost schools to consolidation experienced a reduced social and fiscal capacity compared to towns that maintained their schools. When a community loses a school, the tax base and fiscal capacity of the district are negatively affected as tax revenues and other funds are diverted to other communities (Lyson, 2002).

Jim Lewis (2004) reports that parents and students in larger consolidated schools may often feel anonymous. This can result in students getting lost in the shuffle, falling behind in classes, and then dropping out. Some students become discipline problems, while others give up on school and drop out (Lewis, 2004).

Some studies have found that smaller districts and smaller schools generate superior educational performance and quality of life (Davis & Associates, 2009). These findings include higher SAT and ACT scores; higher student achievement (Hoxby, 2000), better attitudes toward school, fewer social problems, greater extracurricular involvement, greater feelings of belonging, better interpersonal relations, better attendance, lower dropout rates, better self-concept, and more success in college (Cotton, 1999).

The maximum size recommended by any study was 6000 students per district. There is special emphasis in the literature on the benefits of keeping school size to between 300 and 800 students, especially for populations of socioeconomically disadvantaged students (Andrews, Duncombe, & Yinger, 2002). This is attributable to the more personalized attention that students receive in smaller schools.

Alternatives to School District Consolidation

A new body of research is beginning to emerge on alternatives to school district consolidation. Slate and Jones (2005) suggest that shared services are one such attractive counterbalance to consolidation. Shared services arrangements help school districts to achieve some of the cost benefits that are usually unavailable to small, stand-alone systems. In this model certain functions are consolidated in order to achieve savings through collective bargaining and economies of scale. The shared services model has been widely used in the private sector for a number of years. The basic premise is that a services center negotiates,

coordinates, maximizes, and provides services for its clients. For the purposes of a school district this might be a district office of one of the systems involved in the arrangement. Shared services might include transportation, purchasing, finance and payroll, facilities, human resources, technology, food services, and security (Clark, 2013).

At least one county in North Carolina has a shared services agreement between its county school district and the two city units located in the same county. The larger county unit coordinates purchasing and transportation services for all three systems, while the two smaller city units are responsible for alternative education sites for special needs students from all three systems. Such an arrangement allows individual districts to retain control over instruction-related decisions while removing the burdensome task of negotiating prices and managing contracts for services that are often duplicated in each district (Slate & Jones, 2005).

School systems in states other than North Carolina also make use of shared services in various formats. According to the Massachusetts Department of Education website about a third of the 350 school districts in Massachusetts have joined Regional School Districts in order to negotiate the same access to services as those of larger towns. In some cases, districts maintain their own K-6 schools but participate in regional middle and high schools.

Shared services partnerships can also exist outside school districts with the private sector as well (Titus & Ross, 2007). In one instance a school district partnered with a local fitness center (Deloitte Research, 2005). The district provided the land and the fitness center paid to build the facility. Students had access to the facility for physical education classes and athletic programs during the school day, when public use of the facility was low. Early morning and evening hours were open to the public for financial gain for the facility

owner. Other possible partnerships might include those with local hospitals, sports complexes, and shared insurance packages for employees.

The Commonwealth of Virginia, which has 134 school districts, allows the practice of contracting educational services. This arrangement allows smaller cities or districts to establish an agreement with nearby, larger districts in which the larger district is responsible for educating the smaller districts students in certain areas. This allows smaller districts to maintain their identity and yet provide a full array of services to students (Davis & Associates, 2009).

The Deconsolidation Movement

In May 2005 the North Carolina State Senate backed off their proposal to fund only one school district per county resulting in the birth of a deconsolidation movement. Originally aimed at encouraging the remaining eleven counties with separate city and county school districts to consolidate into one district, the plan was dropped, according to the North Carolina Public Schools website (NC State Board of Education meeting archives, 2015), when the State Board of Education concluded there was no indication such a move would save any money.

Spurred by the state's admission that merger did not save money in every instance and the fact that deconsolidation would not cost a school district to suffer a loss of funding, factions in both Charlotte-Mecklenburg and Wake Counties emerged and have expressed an interest in deconsolidation (Hieb, 2005).

John Hood (2013), president of the John Locke Foundation, suggested in an article in the *Charlotte Business Journal*, that in order to save money and increase student

achievement, districts must “break up our sprawling urban school systems into smaller districts. There is no reason why NC students, families, educators, or policymakers must live with the negative consequences of past political decisions” (p. 4).

Hieb (2005) agrees that deconsolidation is needed, noting that when Charlotte-Mecklenburg schools consolidated in 1960, the system had fewer than 60,000 enrolled students. By 2005 the system had grown to more than 121,000 with enrollment expected to exceed 170,000 in the next ten years. According to Hieb (2005), “the incredible growth has rendered the central administration incapable of responding to the concerns of parents in north Mecklenburg County” (p. 3).

As time goes on, deconsolidation may allow local leaders to design efficient, innovative, and competitive school districts more aligned with the needs of the 21st century. In many ways, the discussion over consolidation has run full circle.

Summary

The consolidation of school districts has been occurring across the United States for more than 85 years. It has been widely assumed that consolidation of school systems results inevitably in saving money by cutting costs through economies of scale, in raising student achievement levels, and improving other educational outcomes. Existing literature shows that while there are some cost savings based on the purchasing power of larger districts, there is also a point of diminishing returns. Boser (2013) indicates that districts larger than 6000 students reach a point at which the economies of scale are no longer operative. This is because all goods and services have a minimum cost below which providers cannot go no matter how large a district or how much demand there is for a product or service. The

literature also reveals that economies of scale that work as a business model for the private sector do not always translate well into a workable model for public educational systems.

Likewise, Lewis (2004) does not bear out the supposition that larger districts always produce more capable students. In fact, this research shows just the opposite to be true. Schools and districts that are smaller can often offer a greater amount of individual attention to students, students are less likely to feel anonymous or alienated, and parents are more involved, all factors that result in better student achievement.

Regardless of the reasons why a school system chooses to consolidate, consolidation can occur in North Carolina as a result of action by local Boards of Education, by County Commissioners, or by the Legislature. NC General Statute 115C-67 clearly outlines the steps that are required in a district's *Merger Plan*.

Alternatives to consolidation exist. There is even a deconsolidation movement. No literature exists that predicts the end of consolidation. As long as consolidation remains a viable option for Boards of Education, County Commissioners, and Legislatures, case studies such as this one will remain relevant and important.

The purpose of this dissertation is to examine the reasons why five North Carolina school districts consolidated, whether the processes they used were effective, and whether the impact of consolidation was as predicted by the literature or as desired by the stakeholders. The findings of this study can help inform communities facing the specter of school district consolidation to think deeper about its purpose, processes, and subsequent consequences, prior to deciding to engage in district consolidation.

CHAPTER 3

Methodology

The purpose of this dissertation is to examine the reasons why specific school systems chose to consolidate, evaluate the process they used to accomplish consolidation, and the impact consolidation had on the school system. To provide focus for this research, the following research questions were developed:

- 1.) What were the reasons why the selected school districts decided to consolidate?
- 2.) What process was used to implement consolidation and how effective was it?
- 3.) Based upon specific measures of success selected by the researcher, what was the impact of school consolidation?

For purposes of this study, the measures of success used to gauge the impact of consolidation were:

- Student achievement,
- Operating costs and capital outlay,
- Other educational outcomes, such as graduation rates and attendance.

Finding the answers to these questions will be helpful to educators and other stakeholders who are currently involved in this process or will be involved in the future. When facing the possibility of consolidation, it is only natural to ask oneself what are legitimate reasons for school districts to consolidate, how does one develop the processes,

and what is the likely outcome. In addition, this research can provide a deeper look into specific school districts to more deeply examine the human motivations, processes, and interactions that occur during the consolidation process.

Design

The focus of this study was contingent on the willingness and openness of the participants to share their opinions and thoughts as they pertain to school system consolidation. Since detailed data was collected from a particular setting, a case study design was utilized. Definitions of case study vary widely (Lincoln & Gruba, 1985; Merriam, 1991). Creswell (2003) defined case study as an exploration of a program, event, activity, or process of one or more individuals. The case can be bound by type or activity, and detailed information can be collected using a variety of data collection procedures over a sustained period of time (Creswell, 2005; Stake, 1995).

Six components of case study research can be found in literature. First, case study research concentrates on how people make sense of their own experiences (Merriam, 1991). Second, according to Guba and Lincoln (1981), case study research involves the establishment of boundaries by the researcher relative to questions asked or situations to be studied. Next, Gertz (1973) wrote that case study research acknowledges that the unit or entity studied is seen in the larger context in which it exists. Yin (1994) supported that the case cannot be separated from the context. Later, Adelman, Jenkins, and Kemmis (1983) wrote that case is an example or instance drawn from a larger group or class where boundaries have a common sense obviousness. Davey (1991) explained that case study research usually involves an in-depth and longitudinal examination of a single entity.

Finally, case study research is a process that “describes and analyzes some entity in qualitative, complex, and comprehensive terms not infrequently as it unfolds over a period of time” (Wilson, 1979, p.448).

The Role of the Researcher

Due to the qualitative nature of this study, I assumed an integral role in the research process. Data collection began with baseline data available from public records for each of the five districts and from the North Carolina Department of Public Instruction databases. Permission was obtained to conduct research in the district from each of the superintendents of the selected districts. Prior to the survey and interview phases, initial contact was made with the district’s participants explaining the intent of the research and the specific areas of focus for this study. Interview participants were given the opportunity to ask questions about the purpose and methods of the study before they agree to proceed. Every effort was made to report the findings without bias. Having worked as a teacher and administrator in a district where consolidation and its implications have been considered, I began this study with some prior knowledge of the subject, but had never experienced the consolidation process personally.

Ethical Issues

In this study the ethical issues were most closely related to the characteristics of qualitative methodology which usually includes long-term and close personal involvement, interviewing, and participant interaction. The first step to avoid ethical issues in this project was to seek permission to conduct the study from the proper authorities. Permission was granted through the Institutional Review Board at the university level and from the Superintendents in the two school systems. The study protected the interviewees’

confidentiality throughout the interview and publication process. Interviewees' confidentiality was protected by coding survey and interview data, and by keeping identifying information separate from the data itself. This was accomplished by keeping all identifying information, including names of participants and names of the two school districts, in a locked file in my home and accessible only to me, while the data itself is shown in the final dissertation. Participation in surveys was anonymous. Interviewees were self-identified and were given the right to refuse to participate or to answer specific questions, and, if deemed necessary, to stop the interview at any time they did not feel comfortable proceeding further. In an effort to protect confidentiality, this study identified the two districts involved in this study as "ABC School District" and "XYZ School District."

Site Selection and Setting of the Study

This case study involved two North Carolina school districts that had undergone district level consolidation within the last 25 years. The two districts selected were chosen because they are both located in the same region of the state, which may minimize confounding variables, and both involved the merger of smaller city units with larger county entities. The fact that consolidation occurred in these two systems more recently than in other systems in the state also recommended them for the study.

The ABC School District was consolidated in 2004 from two smaller city systems and a larger county system. At the time of consolidation, one of the city systems in the ABC System was larger and wealthier than the other city system. On the other hand, the XYZ School District was formed when a smaller city system and a larger county system were consolidated in 1991.

At the onset of the study, I emailed a letter to the Superintendent of each of the two school systems explaining the study and requesting their cooperation and participation. Once the Superintendents agreed for research to be conducted in their system, they were able to identify a contact person for the study. In both systems, the contact person identified had been employed in the system at the time of consolidation. In the ABC School District, the contact person was the current Superintendent's Administrative Assistant who, at the time of consolidation, had also been a young assistant to the Superintendent. In the XYZ School District, the contact person identified by the Superintendent was a former Central Office Director during the period of consolidation. He had retired, but returned to work under contract for the school district in their textbook department. In each district, the contact person was able to provide me with a list of possible survey participants, along with their email or mailing addresses.

Participant Selection

Participants to be surveyed were chosen with the help of a contact person, identified by their respective Superintendents, in each of the two systems. Participants identified included members of the Board of County Commissioners and Board of Education, teachers, community members, and other school staff who were active in the consolidation process. For the purposes of this study it was important that participants have some involvement in and knowledge of the districts consolidation process.

With the help of the contact person in the ABC School District, 56 participants were identified and surveyed. This included three parents/community members, eight Board of Education members, 12 teachers, 12 building-level administrators, 15 district-level administrators, five County Commissioners, and one administrative assistant.

In the XYZ School District 40 participants were identified with the help of the contact person. Those identified included six parents/community members, five Board of Education members, eight teachers, eight building-level administrators, nine district-level administrators, three County Commissioners, and one administrative assistant.

Using Survey Monkey, an online survey development service, surveys were emailed to participants in both systems. A cover email briefly outlined the purpose of the study and explained the survey process and how the data will be used. In order to avoid the appearance of coercion, the email explained that participation was voluntary and that participants had the option of not participating in the research project and/or of dropping out of the study at any time. Participation in the survey by individuals contacted served as consent to participate.

Methods of Data Collection

Document and public record review. The review of primary documents and public records was an important part of the data collection of this case study. According to Yin (1994), the systematic search for pertinent documents is a critical component of any data collection plan. To this end, permission was obtained to access pertinent documents from each school system's central office. Again with the help of the contact person, I spent two full days in each school district perusing Board of County Commissioner minutes, Boards of Education minutes (excluding minutes from executive sessions that are not public documents), planning documents, *Merger Analyses*, *Plans of Merger*, and newspaper articles clipped from the time consolidation occurred.

Quantitative data. Statistical Profiles available on the North Carolina Department of Public Instruction website, interviews with school system Directors of Accountability, and data obtained from phone calls to the office of the State Accountability Director were used to

collect data for specific measures of success for each district for the school year prior to consolidation, the year following consolidation, and for 2015, the year the most recent data is available. In order to help determine the impact of consolidation, each of the school districts' quantitative data was embedded into the qualitative data gathered from primary documents, surveys, and interviews.

Surveys. A 13-item survey was developed and piloted with ten of my colleagues to determine validity and reliability. Surveys are a means for gathering descriptions of trends, attitudes, and opinions of a population by studying a sample of that population (Creswell, 2003).

For this study, survey questions were derived from information gleaned from the literature review on consolidation and from the primary document review. Once the pilot was completed, the survey was then distributed to participants in the two school systems. In the ABC School District this included 56 participants including three parents/community members, eight Board of Education members, 12 teachers, 12 building-level administrators, 15 district-level administrators, five County Commissioners, and one administrative assistant.

In the XYZ School District 40 participants were identified including six parents/community members, five Board of Education members, eight teachers, eight building-level administrators, nine district-level administrators, three County Commissioners, and one administrative assistant.

The surveys were deployed electronically using Survey Monkey, a commercially-marketed, online survey tool. Hard copies of the surveys were mailed to those participants without email addresses, along with pre-addressed, stamped envelopes for their return to the researcher. Survey responses from hard copies were entered by hand into the survey tool so

that they could be included in the data analysis. Survey participation and results were anonymous and coding was used on all collected data. Responses from each of the school systems were collected and analyzed separately.

Seventy-one percent, or 40 out of 56, of the participants in the ABC School District responded to the survey. Twenty-eight out of 40 participants, or 70%, responded to the survey in School District XYZ.

Individual interviews. One-on-one interviews are an effective way to address the research questions and are well suited for the individuals who are not hesitant to speak, can articulate their thoughts clearly, and are comfortable sharing their ideas (Creswell, 2005). A narrative analysis of the survey responses led to the development of 23 follow-up interview questions. Interviews were conducted by phone with six out of seven self-selected volunteers, three from each school system. The interviews were open-ended in nature and encouraged participants to freely share their ideas in order to provide an opportunity to explore the central phenomenon for recurring themes. The names of these respondents were taken from survey item #13 which allowed respondents to identify themselves and provide contact information.

A seventh interviewee was unavailable for an interview due to his hospitalization and recurring poor health during this time. Interviews were introduced into the research study and analyzed to add context. Interviewees' backgrounds and experiences provide a glimpse of their understanding and beliefs about consolidation.

Data Collection

Theories as to why these school systems consolidated, the process they used, and the impact of consolidation began to emerge during the qualitative data collection. Not all

themes were equally relevant and did not require the same depth of inquiry. Glaser and Strauss (1967) say that theory will be deemed saturated when it is stable in the face of new data and rich in detail. According to Strauss and Corbin (1998), this means “until (a) no new or relevant data seem to emerge regarding a category; (b) the category is well developed in terms of its properties and dimensions demonstrating variation; and (c) the relationships among categories are well established and validated” (p. 212). Notes were used to track common words, phrases, and concepts regardless of the transcript or document being reviewed. Data was gathered until all categories are saturated. When it was apparent no new concepts or themes were emerging, the data collection was complete (Glaser and Strauss, 1967).

Procedures. Individual phone interviews were recorded using TapeACall, a commercial digital phone application. Interviews followed prepared questions to guide the discussions and to redirect when the participants and interviewees became sidetracked, but were otherwise open-ended in nature. Field notes were taken during the phone interviews to provide additional data in the form of observer comments about themes, ideas, and areas of further interest. Each interviewee’s voice recording was reviewed, checked for audio clarity, and transcribed.

Coding and data analysis. After all of the data was collected, the data analysis process began. Yin (1994) suggests the manipulation of the data must be done carefully to avoid biasing the results. Ultimately, the goal is to treat the evidence fairly, to construct convincing analytic conclusions, and to rule out alternative interpretations (Yin, 1994).

As themes emerged from the analysis, they were tracked by color-coding each survey, interview, and document. Participants’ phrases, words, and actions were all color-coded by

themes after the transcribed notes and recordings were reviewed multiple times. Individual lists of all information were handwritten on lists kept in a separate research notebook to ensure accuracy and to increase the validity of the process.

Once the overriding themes emerged from the various data collection methods, an open coding technique was implemented to organize the data from the analysis of the individual interviews. Glesne (2006) stresses that “coding is a progressive process of sorting and defining and defining and sorting those scraps of collected data that are applicable to your research purpose. By putting like-minded pieces together into data clumps, you create an organizational framework” (p. 15).

Open coding is the process of breaking down the data into separate units of meaning (Goulding, 1999). Its main purpose is to conceptualize and label data. The researcher separately categorized concepts and clustered them around themes related to reasons why these school systems consolidated, the process they used, and the impact of consolidation on their system. The coding begins with an analysis of the surveys and a full transcription of each interview to identify key words and phrases that connect the participant’s descriptions to process of district consolidation.

Once the preliminary coding was accomplished, the data was reviewed for the final stage of data analysis known as selective coding. Dominant and subordinate themes were identified and the analytical strategy of the content applied. During this process, all categories merged around the central themes. This process allowed the researcher to provide descriptive details with the major categories that emerge during the analysis of the data. Through this systematic process of data analysis, categories, patterns, and relationships became transparent within the data sources. The final stage should present the theory,

bringing together the concepts and integrating them into categories that have explanatory power within the context of the research (Goulding, 1999).

Trustworthiness

Every possible effort was made to ensure the trustworthiness and credibility of the research, as well as confidentiality for all of the participants. The dissertation committee members reviewed the procedures and provided substantiation of the data. Sharing the data and the findings with this committee helped determine if they interpreted the data with the same perceptions. This strategy allows the researcher the opportunity to gain a different perspective and help avoid missing critical pieces to the data analysis. Often, people who are not directly involved in the study can see the obvious patterns that might otherwise be overlooked. Their disassociation from the research provides a different lens for analyzing the data. This process creates the opportunity for validating the existing data analysis. When different lenses reveal the same data analysis, the validation of information is strengthened.

Summary

This chapter describes the qualitative nature of this case study and the quantitative data that is embedded within it that adds a qualitative element to an essentially qualitative study. The data collection procedures and the data analysis methods are also described. The research design of this case study provided a means of understanding why five school districts consolidated, the processes they used, and the impact of consolidation. Through the process of reviewing pertinent documents, surveying participants, collecting interview data, and collecting quantitative data on student achievement, expenditures, and other educational outcomes, I was able to gather “rich data” to address the research questions.

CHAPTER 4

Findings

The current literature provides a variety of reasons why school systems often decide to initiate school district consolidation. Two major reasons identified in the literature are (a) to save money by reducing costs (Clark, 2013; Conant, 1959; Giddy 2006) and (b) to improve educational outcomes for their students (Brigman, 2009).

In North Carolina there are three statutory processes by which consolidation may occur. These include: (a) a request by two or more Boards of Education within the same county (NC Statute 115C-67); (b) a request by the Board of Commissioners (NC Statute 115C-68.1); and (c) a result of legislative action (NC Statute 115C-68.2). By whatever method consolidation is initiated, the process is outlined to a degree in the statute and in some of the research literature. Essential parts of the process include establishing a timeline, determining the make-up of the transition team and interim Board of Education, and policy development (Andrews, et al., 2002; Slate & Jones, 2005; Titus & Ross, 2007).

The current literature discusses the impact of consolidation as well. Perhaps most revealing is that neither of the two major reasons for consolidation—to save money and/or improve educational outcomes—is guaranteed to occur. (Andrews et al, 2002; Davis & Associates, 2009; Hoxby, 2000; Slate & Jones, 2005; Titus & Ross 2007). In fact, the impact of consolidation sometimes results in additional costs or a decline or no change in student achievement due. (Boser, 2013; Clark, 2013; Cotton, 1999; Coulson, 2007; Howley et al., 2011).

Given the current research and the mixed results of school district consolidation, one might wonder, then, why would a school system consider consolidation. Missing from the

current literature are studies focusing on specific school districts, that look not only at the reasons driving the consolidation, but at the processes utilized, and most important—whether the impact produced a better consolidated school district, as well as what participants thought about how the consolidated district fared over time. Such a study would be invaluable to systems that face consolidation in the future, whether by force or by choice. Using the following research questions, this case study is intended to examine those issues.

- 1.) What were the reasons why the selected school districts decided to consolidate?
- 2.) What processes were used to implement consolidation and how effective were they?
- 3.) Based upon specific measures of success selected by the researcher and others provided by the participants in the study, what was the impact of consolidation?

This case study examined five school districts in western North Carolina that have undergone consolidation within the last 25 years. ABC School District was formed in 2004 from the consolidation of two smaller city school systems with a larger county school system. Prior to consolidation, one of the two city systems in the ABC School District was larger and wealthier than the other smaller one. The XYZ School District, on the other hand, was created in 1990 when one smaller city system consolidated with a larger county system.

This study began with an examination of quantitative metrics of each of the school systems to determine the impact on student academic achievement; operating costs; capital outlay; graduation rates; attendance; and ranking in the state by expenditures. Those measures were selected by the researcher. The quantitative data was then juxtaposed against

qualitative data gathered from primary documents, online surveys, and telephone interviews with stakeholders from each district who were involved in the consolidation process. The quantitative metrics describe and report the impact of consolidation in the two chosen districts at three different points in time, thus giving this qualitative case study a quantitative element. These metrics include data from a year prior to consolidation, a year after consolidation, and from 2015—the most recent year which is available. Qualitative data collected from primary documents and through online surveys and phone interviews of various stakeholders were analyzed to provide context to the quantitative data.

Baseline data for each of the two districts were collected from Statistical Profiles maintained by the North Carolina Department of Public Instruction and other state and district sources to determine the impact of consolidation on (a) academic achievement—based on available test scores and graduation rates; (b) cost efficiencies—based on per pupil operating costs and capital outlay; and (c) other factors—including student attendance and state ranking of the districts by operating costs and capital outlay. The data was examined and compared for each of the school districts for the year prior to consolidation, the year after the consolidation, and from 2015.

Four data sets were analyzed. The first of these were primary documents, which included Board of Education minutes from the time of consolidation, *Merger Analyses* provided by outside consultants, *Plans of Merger*, and newspaper articles related to the consolidation process in each of the two districts. The information gleaned from these sources helped to provide context and to develop themes from those sources about the consolidation process. It also humanized the process that the districts implemented as well as highlighted the personal effects of school district consolidation on stakeholders. The second

data set included quantitative data related to student achievement, costs, and other educational outcomes collected from the NC Department of Instruction and other sources. The third data set included data from electronic surveys completed by participants in the consolidation process and were analyzed for generalizations. The fourth and final data set includes six interviews conducted using 23 interview questions derived from a narrative analysis of survey responses. Each of these data sets is examined individually for each separate school system.

ABC School District

Prior to consolidation in 2004, the ABC School District was comprised of three separate school systems: two city systems, one of which was larger and wealthier than the other, and a county system.

Primary Documents. A number of primary sources were examined for the ABC School District. These included Board of Education minutes, a *Merger Analysis*, a *Plan of Merger*, and newspaper articles related to consolidation.

Board minutes. As required by NC General Statute 143-33C, the ABC School District Board of Education archived minutes of all their meetings where a quorum of the Board of Education was present. Archived minutes were available from each of the three Boards of Education before they were consolidated and for the newly created district following consolidation. An examination of these minutes allowed the researcher to gather information on the actions of the Boards of Education as they considered and eventually implemented consolidation.

Using an open coding method two themes quickly emerged from an examination of ABC School District's Board of Education minutes. The first theme concerned the impetus

for consolidation in the district, including those who were involved in the initial decision to consolidate and the reasons stated for making the decision to consolidate. Second, the work, or process, of consolidation itself was described in the Board of Education minutes. Board of Education minutes prior to and immediately after consolidation, however, did not shed much light on the impact of consolidation. Too little time had passed for the minutes to reflect any impact from consolidation.

Reasons for consolidation. Board of Education minutes taken over the seven years prior to the consolidation of the ABC School District by the three consolidating Boards of Education reveal that consolidation was an agenda item as early as 1997. The minutes include a discussion by the Board about how to solve the combined problems of having school buildings identified as being at capacity and being unable to convince County Commissioners to increase their capital budget in order to build new classrooms. Board of County Commissioner records reveal that in their discussions with the Board of Education, the County Commissioners had referenced merger as a possible solution.

Although the larger city system's Board of Education minutes do not reference merger early on, their minutes reveal that their system was also suffering from a shortage of classroom space. Minutes recorded by the smallest of the three systems show their discussions at this same time centered on the opposite dilemma: a shrinking student population and the prospect of closing or merging some of their smaller schools.

Process of consolidation. In August 1999, commissioners in ABC School District undertook an analysis of district merger. Minutes of all three Boards of Education reflect that merger was an important topic of conversation with all the Board of Education members and that Board of Education chairs were involved in meetings with the County

Commissioners in December of 1998. In December 1999, a *Merger Analysis*, prepared for the commissioners by an outside consultant, was released. In an April 18, 2000 County Commissioners' meeting, citizens from across the county were allowed to express their opinions about the proposed consolidation of the school districts. Board of Education minutes show that 81 people addressed the Board of Education that evening, with 61 of those speaking against consolidation, and that at the end of the hearing, commissioners voted 4 to 1 to approve consolidation of the three districts. The majority of those who spoke against consolidation were from the more prosperous city system. According to one of the interviewees who was present at the hearing, their biggest concern was loss of local control. They believed that their system was doing well and that they were being punished by "having to sacrifice what they had to save a failing system." Those few individuals who spoke for consolidation, talked about the opportunity to work together as a county, and about the consistency and equity that they believed consolidation would bring.

In May 2000, County Commissioners appointed an interim Board of Education that included two members each from the existing three Boards of Education and three additional residents who represented the population of the entire county. Consolidation was to occur as of July 1, 2000. Unfortunately, consolidation was delayed in late May 2000 due to a lawsuit filed by the larger of the city systems involved. For this reason, the interim Board of Education did not take office, and the three previous Boards of Education continued to function and conduct elections until January 2004, when the lawsuit was resolved in favor of consolidation. Merger was finally able to occur on January 13, 2004, but was not legally effective until the start of a new school year in August 2004. Minutes from the newly merged Board of Education are filled with reports from January to July 2004 of various sub-

committees, made up of administrators and other educators from the three systems, whose responsibility it was to blend administrative procedures, combine departments, and to develop new routines for the newly consolidated system.

Merger analysis. One of the exploratory documents employed in the consolidation process was a *Merger Analysis* completed by an out-of-town law firm that specialized in education law. It was prepared and presented to the County Commissioners based on data provided by the three systems being considered for consolidation (Middlebrook, 1999). The analysis included information on the utilization of existing facilities and the potential impact on capital expenditures, organizational issues, personnel and administrative costs, the potential impact on the delivery of educational services and educational outcomes, advantages and disadvantages of consolidation, and, finally, conclusions. It outlined 12 reasons why the three systems should consolidate. The following reasons were given for consolidation in the *Merger Analysis* (Middlebrook, 1999): (a) more consistent organization; (b) better utilization of classroom space; (c) better response to county-wide capital needs; (d) economies of scale; (e) avoidance of redundancy; (f) ease of planning; (g) greater flexibility; (h) standardization; (i) better support services; (j) more sophisticated services; (k) equalization of taxes; and (l) linking to other county agencies.

A utilization chart shown in the *Merger Analysis* indicated that the smaller city system was only utilizing 55% of its classroom space in its seven schools. The county system was utilizing 90% of its capacity, while the larger city system was 103% capacity. The analysis went on to show that current grade configurations were examined and determined to be the same across the three systems, thus posing no barrier to merger. Discussion centered on long-term capital needs and how they could better be dealt with as

the demographics changed and shifted across the county. Economies of scale, the analysis said, would allow more resources for classroom instruction and duplicate administrative functions could be consolidated. Furthermore, according to the analysis, consolidation would allow instructional offerings across the county to be standardized and provide the school system the opportunity for more sophisticated support programming for all students. Support services could be strengthened and supplemental taxes could be equalized throughout the county. Finally, consolidation could ultimately lead to a greater link between schools and other county-wide agencies (Middlebrook, 1999).

Unfortunately the *Merger Analysis* did not suggest how consolidation should be best implemented so that the school districts could reap the benefits of the 12 reasons to consolidate. That was not its function. It did emphasize how to merge district office staffs and suggested that retirement by some personnel, assignment to other jobs within central services, and/or assignment to school-level positions would have to occur.

The *Merger Analysis* contained predictions about the impact consolidation would have on the current systems. Some schools would have to be closed and some loss of control over local schools by individual communities would occur. Shifts in attendance lines would affect where students would attend school. Operational costs could increase annually for up to four years. According to the *Merger Analysis*, the benefits of consolidation outweighed any disadvantages by a twelve to five margin, specifically in the areas of facility utilization and capital outlays. The final conclusion of the study was that with or without consolidation the system would have to quickly address utilization and capital outlay or the citizens of the county “will spend far more of their tax dollars on new school construction and renovations than is currently necessary” (Middlebrook, p. 7, 1999).

Plan of merger. After receiving the *Merger Analysis*, the ABC School District drafted a *Plan of Merger*. A *Plan of Merger*, required under NC General Statute 115C-67, clearly defines the processes and procedures for accomplishing consolidation. The statute requires a consolidation plan to outline the following nine processes: (a) the name of the new system; (b) the effective date of consolidation; (c) the establishment of a Board of Education for the new system; (d) the duties and responsibilities of the Board of Education; (e) the transfer of all assets; (f) whether any supplemental taxes are in effect and will continue; (g) certification that a public hearing was held; (h) whether the consolidation is contingent upon the approval of voters or not; and (i) any other conditions or requisites to consolidation. The general statute also requires that the plan be approved by the County Commissioners, be recorded in the Board of County Commissioners' minutes, and then be submitted to the State Board of Education for approval with a copy to be filed with the North Carolina Secretary of State. Once approved by the State Board, the standing Boards of Education are abolished, and the consolidation becomes final and cannot be changed except by the General Assembly.

Although the *Plan of Merger*, developed and adopted by the ABC Board of Education and submitted by the Board of County Commissioners to the state, is devoted primarily to process, the plan reveals the school district's rationale for consolidation and what they hoped consolidation would accomplish. The 2000 ABC System *Plan of Merger* notes that the County Commissioners "addressed concerns raised by the business community that students of the three systems were not fully prepared to join the workforce" (p.1). At the same time, members of the community and the Board of County Commissioners asked whether county tax dollars were being spent most efficiently when one district was building new schools while buildings were vastly underutilized in another district. The introduction goes on to say

that the purpose of the consolidation was to “lead to better utilization of existing facilities, better use of taxpayer money, and the potential for improving educational outcomes.”

The ABC *Plan of Merger* also identifies the impact the commissioners expect from consolidation. The projections that were listed included a cost savings of \$500,000, greater flexibility in the planning and delivery of educational programs, and the improvement of educational outcomes.

Newspaper articles. The consolidation of local school districts is obviously big news for hometown newspapers, especially if there is some controversy surrounding the merger. Such was the case for the ABC School District where newspaper editorials on the topic were published as early as eight years prior to consolidation occurring. Consolidation discussions were front-page headlines anytime the Boards of Education agendas mentioned the topic. In a number of articles, the local paper reported on the reason consolidation was being considered, any battles that arose in the process, and the possible impact on local communities and schools. The story that played out in the newspaper painted a picture of two prosperous, successful school systems (the larger city system and the county system) in need of new school buildings due to their growing enrollment and having to sacrifice their success in order to save a third system (the smaller, less prosperous city system) that had declining enrollment and empty classrooms. The local newspaper came out in favor of consolidation as a way to save taxpayer money and prepare students to enter the job market, but they continued to highlight the declining enrollment of one of the three school systems. Letters to the editor proved the public were very interested in the issue. As one headline stated, “ABC residents hopping mad over merger” (Dys, 1999). The newspaper had a field day when the

larger of the city systems filed a lawsuit against the County Commissioners, but interest waned when the lawsuit tied up consolidation for four years.

Quantitative data. Data on specific indicators of success were gathered from the NC Department of Public Instruction (DPI) Statistical Profiles, DPI archives, and school system accountability directors. The student outcome indicators include student membership numbers, student achievement figures, graduation rate, and student attendance (see Table 1). Budget indicators include operating costs on a per pupil basis, capital outlay costs on a per pupil basis, and the district's ranking in spending out of 115 districts in the state (see Table 2). For the ABC System, data were drawn for the individual county system and the two city systems for the year prior to consolidation, the first year after consolidation, and in 2015—the most recent data available. Membership includes the number of students enrolled. Student achievement figures reflect the percentage of high school and elementary students who were proficient on End-of-Course (EOC) and End-of-Grade (EOG) tests. Graduation rates are the percentage of students who entered ninth grade who graduated four years later. Operating costs and capital outlay shown are on a per pupil basis (including state rankings). Operating costs are the expenses that a school district undertakes to maintain the operation of the school district. Capital outlay is the amount of money spent on construction or renovation of buildings, as well as the acquisition of real property like playgrounds, athletic buildings, administration headquarters, furniture, buses or other vehicles. Student attendance is the percentage of students based on average daily membership for the school year.

Table 1

ABC School District's Student Outcome Indicators

<u>Measurement</u>	<u>County</u>	<u>City #1</u>	<u>City #2</u>	<u>Consolidated</u>	<u>Consolidated</u>
Year	2004	2004	2004	2005	2015
Membership	9,383	4,660	3,142	17,156	15,552
Elementary Student Achievement	74.1	79.8	65.2	74.8	57.0
High School Student Achievement	81.1	87.2	76.6	66.2	57.5
Graduation Rate	62.5	75.9	69.8	71.4	86.6
Student Attendance	88.4	89.7	89.1	91.4	95.0

Table 2

ABC School District's Budget Indicators

<u>Measurement</u>	<u>County</u>	<u>City #1</u>	<u>City #2</u>	<u>Consolidated</u>	<u>Consolidated</u>
Year	2004	2004	2004	2005	2015
Operating Costs	\$6,427.81	\$6,302.26	\$7,521.10	\$7,187.13	\$5,928.00
State Ranking by Operating Costs	88 th	97 th	28 th	77 th	5 th
Capital Outlay	\$424.21	\$657.13	\$426.69	\$358.12	\$728.53
State Ranking by Capital Outlay	101 st	69 th	100 th	80 th	20 th

An examination of the data surrounding the indicators of success does not reflect the reasons why consolidation took place, or the process used; however, some idea of the impact of consolidation can be construed from the data.

In the year prior to consolidation, the three separate systems enrolled 17,640 students, while only 17,156 students were enrolled the first year following consolidation. The total number of students in membership in the ABC System decreased slightly in the first year of consolidation. This decrease of 484 students was statistically insignificant and could be attributed to normal attrition. Elementary student achievement decreased significantly in the year following consolidation. In the first year after consolidation, the proficiency of elementary students dropped by 10.4 percentage points from one of the city systems over the year before and dropped by 14.9 and 21 percentage points, respectively, from the county and other city system. Student achievement in high school improved significantly in the first year of consolidation, at least over one of the city systems. High school proficiency in the newly consolidated system increased 9.6 percentage points over students in the city system and .7 percentage points over the county system in the previous year, but dropped by 5 percentage points from the other city system. The graduation rate of the newly consolidated system also increased over the county and one city system from the previous year by 8.9 and 1.6 percentage points, respectively, while the new system decreased by 4.5 percentage points from the other city system. Operating costs in the consolidated system increased by \$759.32 and \$884.87 per pupil over the county and one city system, respectively, but decreased by \$333.98 per pupil over the other city system. Capital outlay expenditures, which were also reported on a per pupil basis, decreased across the board in the year following consolidation. In the new system, Capital outlay was reported at \$358.12 per pupil, down \$66.09 from the

county system, \$68.57 over one city system, and \$299.01 over the other city system. Student attendance improved slightly in the newly consolidated system over the previous three separate systems. In the first year of consolidation, attendance increased by 3 percentage points over the county system and 1.7 and 2.3 percentage points over the two city systems, respectively. In summary, student attendance increased slightly in ABC System after consolidation, while student achievement and the graduation rate decreased. The impact on operating costs was inconclusive since the amount was larger for one of the systems, but less than what the other previously received. Capital outlay was less in the consolidated system than in the three former systems.

A comparison of data from the first year of ABC's consolidation to data figures for 2015, the year for which the most recent data are available continued to show mixed results. From 2004, the first year of ABC's consolidation, to 2015, membership in the ABC School District dropped by 1604 students. Student achievement proficiency rates dropped, too, by 8.7 percentage points in high schools and by 17.8 percentage points in elementary schools. Graduation rates, on the other hand, rose by 5.2 percentage points, over the ensuing 15 years, from 71.4% to 86.6%. Operating costs over the years dropped by \$1,259.13, while capital outlay costs have risen by \$370.41 in the 11 years since consolidation. Student attendance rates rose by 3.6 percentage points over 2004 figures, while the district's overall ranking in state went up 22 places in operating costs and went up 60 places in capital outlay.

Surveys. A 13-item survey was developed and piloted with ten colleagues in my school district to determine validity reliability. Once the pilot was completed, the survey was then distributed to participants in the school systems. Fifty-six participants were identified and surveyed in the ABC School District. This included three parents/community members,

eight Board of Education members, 12 teachers, 12 building-level administrators, 15 district-level administrators, five County Commissioners, and one administrative assistant (see Table 3). Surveys were emailed to participants with email addresses. A hard copy of the survey was mailed to participants for whom no email address was available. A 71% return rate of those surveyed indicates the relevance of the topic of school system consolidation years after its occurrence.

Table 3

Participants Surveyed/Return Rate in ABC School District

<u>Participant Role</u>	<u>Number Surveyed</u>	<u>Number Responded</u>	<u>Percent of Return</u>
Parents	3	2	67%
Board Members	8	4	50%
Teachers	12	10	83%
Building Admin.	12	10	83%
District Admin.	15	11	73%
Commissioners	5	2	40%
Administrative Assistant	1	1	100%
Total	56	40	71%

Analyses of surveys by theme. Surveys were analyzed using an open coding method. Survey questions, which are available in Appendix A, were categorized by their relationship to the research questions (see Table 4). The research questions are as follows:

- 1) What were the reasons why the selected school districts decided to consolidate?
- 2) What process was used to implement consolidation and how effective was it?
- 3) Based upon specific measures of success selected by the researcher and others provided by the participants in the study, what was the impact of consolidation?

Table 4

Relationship of Survey Questions to Research Questions

<u>Survey Question</u>	<u>Research Q1</u>	<u>Research Q2</u>	<u>Research Q3</u>
Q3	X	X	
Q4	X		
Q5	X		
Q6	X		
Q7		X	
Q8		X	
Q9		X	
Q10		X	
Q11			X

Note: Q1 and Q2 have been omitted from the table; they were used only to establish the demographics of the respondent.

Reasons for consolidation. Costs savings were a major reason for consolidating the ABC School District. One hundred percent of the respondents in ABC School District say that personnel costs were “influential” or “very influential” in the decision to consolidate, while 97.5% say operating and facilities costs were “influential” or “very influential” in the decision. Only 12.5% of respondents in ABC School District thought consolidation had anything to do with student achievement or expanding opportunities for students or teachers.

Influences outside the school system also are a major reason for consolidation, according to the data collected. In ABC, 90% of the respondents state it was County Commissioners who initiated consolidation, while 2.5% attributed consolidation to the city/county officials or local Boards of Education. No one listed district or school staff, parents, or local businesses as the instigator in their district. As one respondent commented, “They (the Boards of Education) were forced to (consolidate); (I) don’t think they’d ever have done it if the commissioners hadn’t made them.”

Process of consolidation. Ninety percent of the respondents in ABC School District stated that it was the County Commissioners who initiated the process in their county. None of the respondents mentioned local Boards of Education or school officials as being involved in the initiation of the consolidation process. As one respondent described the process in this way, “The commissioners wrote a consolidation plan. An interim Board of Education was appointed. Three central offices worked on a plan after an interim Board of Education appointed a superintendent.” In another comment about what he would change about the process, one ABC respondent wrote, “The County Commissioners should not have forced it.”

Concerning the actual steps in the process, surveys show that the ABC School District used multiple public hearings, speakers at civic organization gatherings, and involvement by the faith-based community. None of the respondents mentioned the use of an outside consultant as part of their process, but, as already shown, a review of the primary documents reveals that the district actually used an outside consultant to develop a *Merger Analysis*.

The ABC School District held employees harmless for a period time after consolidation, hired a new superintendent, operated dual central offices for a while, and finally combined operations and services into a totally new location, all of which were recommended in the literature (Titus & Ross, 2007), were all part of their consolidation process.

Impact of consolidation. In the ABC School District, a majority of respondents said that student achievement, fiscal efficiency, and teacher opportunities “somewhat improved” or “greatly improved.” What is not answered in this survey is on what respondents are basing their opinions. Their answers seem to be based more on personal experience and feelings than a personal examination or awareness of the indicators of success that the researcher chose.

Interviews. A narrative analysis of the survey responses led to the development of 23 follow-up interview questions. Interviews were conducted with six self-selected volunteers, three from each school system. The names of these respondents were taken from survey item #13 which allowed respondents to identify themselves and provide contact information.

Analysis of Interviews. In this section, interviewees were introduced into the research study to add context to their responses. Their backgrounds and experiences provide a glimpse of their understanding and beliefs about consolidation.

Interviewee #1/County Board of Education Member prior to consolidation and Chairman of Interim Board and Board of Education of ABC School District. This interviewee was a member of the County Board of Education when consolidation occurred. He was elected chairman of the Interim Board of Education that was formed when the County Commissioners approved consolidation. He was later elected the first chairman of the Board of Education of the newly consolidated unit and still serves as a member of the ABC Educational Foundation. He attributes the idea of consolidation of the three systems to the Board of County Commissioners. The interviewee talked about the inequity in funding that existed among the three school systems prior to any discussion of consolidation. Years before consolidation, the two city systems received a supplemental tax that allowed them to do more than the county system, which he described as the “poor relation” among the three. This supplemental tax allowed the two city systems to have additional programming, such as special advanced classes, that the county system was unable to afford and therefore could not offer their students. Annually, the three school systems would go before the Board of County Commissioners to ask for funds. This interviewee compared this annual request to three children, two girls and a boy, going to their parents for their allowances. The “parent” commissioners believed all three “children” had the same wants, but could obviously see that the “boy” had needs that were different than the “girls.” The commissioners wanted to be fair and help all three systems, but the supplemental tax made being fair inequitable. The two systems with the supplemental tax could offer their students so many more resources than

could the county system and this bothered the Board of County Commissioners. It was this inequity, this interviewee says, that was the main reason commissioners were interested in consolidation. By consolidating the three systems into one, the commissioners believed that resources could be more equitably shared across the county so that no matter where students lived and attended school they would have access to the same quality of educational programming.

About this same time, the smaller of the two city systems began to experience a decline in their student population, while the other city system and the county system continued to grow. He cites a time when elementary children in one area of the county were being bused across the county to a school that had more room, and to get to the school they had to go past a city school that had classrooms sitting empty. To the Board of County Commissioners, which was made up primarily of members whose background was in business and industry, this was an inefficient use of their facilities. It was the inequity between systems, combined with the inefficient use of facilities, this interviewee says, that led Commissioners to believe that consolidation was a viable solution.

According to this interviewee no other influences were as important as the County Commissioners and their feelings about inequity and inefficiency. While he believes that students and teachers were of utmost importance to the commissioners, he does not believe that student achievement or a desire to expand opportunities for students or teachers had anything to do with the commissioners' motivation toward consolidation. Likewise, he does not believe that reducing costs were a motivating factor. He says the commissioners had enough experience to know efficiency does not always equate with saving money. The General Assembly at the time talked a lot about funding only one superintendent per county

and forcing consolidation, the interviewee said, but “they just talked and never did anything.” He does not believe the State Board of Education had any influence on the consolidation of these three systems. In fact, he remembers once when the consolidation of their system was to be discussed in a State Board of Education meeting. Members of the interim Board of Education made the trip to Raleigh to be a part of the meeting, but the topic never even came up. This interviewee said it was hard for the State Board of Education to relate to local Boards of Education. Local businesses at the time backed consolidation as a means of improving economic development across the county, but they did not influence the process in any way, this interviewee believes.

Concerning the process used to implement consolidation, this interviewee shares some very interesting insights. Shortly after the commissioners approved the consolidation and appointed an interim School Board, the process was stopped cold when the larger of the two city systems filed a lawsuit. Until the lawsuit could be settled, the interim Board of Education could not legally meet or carry out any function; all business reverted to the three original Boards of Education. The lawsuit continued in the court system for four years with a series of small interim decisions being handed down, each in favor of consolidation. As each of these interim decisions was made known by the court, it became obvious, the interviewee said, that “consolidation was going to happen; it was just a matter of time.” At this point the interim Board of Education had a dilemma. They realized that once the final judgment was handed down, the consolidation process would occur “the next day.” The Board of Education had a choice: continue to take no action as required by injunction and not be prepared when consolidation occurred, or begin to plan and prepare for consolidation in violation of the injunction against them. While he was somewhat hesitant to talk about their

choice, because he did not want to seem to have acted on the wrong side of the law, this interviewee admits they “did what they had to.” They initiated action “under the radar.” He said that central office staff was key in this action. Superintendents worked together to design how consolidation would occur. Central office directors were enlisted covertly to plan programs, combine departments, and develop administrative policy to guide and direct the new system, when it came into existence. The most amazing part of his story may be that this work was not done by just two of the superintendents and their central office staff, but by all three, even the one that initiated the lawsuit. His explanation was that “the handwriting was on the wall”; it was obvious to everyone, even the plaintiff in the case, that consolidation was going to happen and “they could be a part of this [the changes] or they could be left out” (insertion mine). When the lawsuit was resolved in favor of the commissioners and consolidation was allowed to occur, the ground work had been done. The interim Board of Education was dissolved and a new, consolidated Board of Education was elected under the terms set forth in the *Plan of Merger*.

According to this interviewee the impact of consolidation in their county has been very favorable. He cites the fact that no schools were closed due to consolidation so no community lost local control and there is still a sense of community pride. There is now equity in funding. While every school in the county does not offer the exact same program, all children have access to the same resources. Facilities are being utilized more efficiently. Personnel across the district are being paid on an equitable scale; no matter where a teacher or principal work, they receive the same supplement as every other teacher and principal in the system. No job was lost or salary reduced because of consolidation. Long-range planning

is now possible. The quality of education is the same for every child in the system and that makes for better economic development for the entire county, he said.

Interviewee #2/Administrative Assistant in the Superintendent's Office prior to/following consolidation of ABC School District. This interviewee was the administrative assistant to the county system's superintendent just prior to consolidation and continued to serve the first superintendent of the newly consolidated system as his administrative assistant. She remembers the reason for consolidation as one of declining enrollments and underutilization of space. As she reflected on the reason the systems consolidated, she remembers a time when there were two city systems and one county system operating in this one county. The county system and one of the city systems were growing in student population and running out of classroom space while the other city system had declining enrollment and many classrooms sitting empty. When the two growing systems petitioned the County Commissioners for more capital outlay money, the commissioners responded with a plan to consolidate. The larger, progressive city system immediately responded with a lawsuit that blocked the merger for nearly four years as litigants were tied up in court. This interviewee considers that legal wrangling to be part of their process which eventually ended in consolidation. Once the lawsuit was decided and consolidation was approved, she remembers a process that began with the current superintendents, with the help of all stakeholders, working to develop a strategic plan for the new district. She believes that plan made the merger process smoother. It included holding personnel harmless until positions were freed up due to attrition, equitable programs that were developed across the county that were available to all students, and the expansion of school buildings and facilities that came once buildings were open to the whole county rather than just a certain district.

This interviewee believes the impact of consolidation to be a positive one. She cites a more unified spirit among teachers and administrators, more pride in the county rather than area rivalries, and equitable facilities and curriculum across the district. She said that since consolidation, the system has closed student achievement gaps, raised graduation rates, and opened a Math Academy that is available to students from all areas of the county, as well as year-round programs in many areas.

Interviewee #3/Board of Education Chairperson prior to consolidation of ABC School District. This interviewee was the chairman of the Board of Education of the smaller of the two city systems at the time of consolidation with the county system. He was very clear that it was due to action by the County Commissioners that the systems consolidated. In fact, he stated, “It (consolidation) would never have occurred except for the County Commissioners.” Evidence that the idea of consolidation did not originate with the Boards of Education or the school systems is, he said, backed up by the fact that all three school systems vehemently rejected consolidation from the beginning. Two of the three systems immediately sought or retained legal counsel to fight consolidation, while the third initiated a lawsuit that tied up the consolidation process in court for four or more years. This interviewee specifically cited the chairman of the commissioners, a well-known business leader in the community, as the instigator who saw consolidation as purely a business move based on a belief that merger was what was “best for business.” Based on his knowledge of business models, the chairperson of the commissioners, he believes, thought that consolidation of the three systems *had* to save money. The interviewee goes on to say that he believes without the influence of the chairman, the other members of the commission would

never have approached consolidation. In fact, the interviewee went as far as to say, “The other commissioners didn’t even understand consolidation.”

Coupled with the commission chair’s desire to save money, this interviewee believes, was also the commissioners’ desire to have more control over the school systems’ finances. The interviewee concluded, “It was purely a political thing with the County Commissioners.” He cites a climate created by the North Carolina General Assembly, at the time, in which County Commissioners were “influenced” to consolidate when there was more than one school system in the county. In this person’s opinion, the General Assembly’s message to County Commissions regarding consolidation was “if you don’t, we will,” and to avoid having the issue taken out of local hands, the Commissioners complied. This former Board of Education chairperson said this attitude no longer exists and that his system’s consolidation was the last one to occur because of pressure by the General Assembly on County Commissioners.

This interviewee does admit that the economic situation at the time was one in which the county and the larger of the city systems had a 25-30% minority population and an overall increase in student enrollment. As a result of what this interviewee called “white flight,” the smaller city system was experiencing a declining enrollment with nearly 50% minority representation. This led to one of the districts having a lot of empty classroom space while the other two were running out of space for students. The smaller system was slowly becoming a “ghost town.” As a result, two of the three Boards of Education had already initiated the idea of changing some attendance lines. While he does not believe this was a factor in the County Commissioners’ decision to seek consolidation, he does believe it

created an environment in which it was evident that some changes were inevitable if the smaller system was to survive.

As to the process that was used to accomplish consolidation, this interviewee considered the lawsuits that ensued to a part of the process. As mentioned previously, all three school systems immediately responded to the County Commissioners by either retaining legal counsel or initiating a lawsuit. Once the legal issues were resolved, some four to five years, down the road, this Board of Education chair believed the hiring of a new superintendent for the newly consolidated system was an important step in the process. He stated that it was important that they hired the “right” superintendent. This meant, he said, one who was familiar working with a larger system, one who had emphasized technology and could lead the system in that direction.

The interviewee cited the coming together of the three Boards of Education to form the newly merged Board of Education as an important step in the process. Once the legal maneuvering was over the three Boards of Education saw that consolidation was inevitable and they moved forward to do what was best for students. According to his remembrance, all members of the newly merged Board of Education let go of bitterness and were able to do what they had been elected to do: move the new system forward.

Another important step in the process was the adoption of policies for the new system. In the case of newly formed ABC School District, they ended up adopting the policies already in place in the former county system because it had been the largest of the three merged systems and had the more “sophisticated” policies that the two smaller systems had never had to address.

Likewise, this interviewee felt that retaining athletic rivalries was an important part of the process in forming the new system. He cited a rivalry between two of the systems that had existed since before the days of his grandfather, and while this same rivalry was one of the reasons for the bitter resistance to consolidation, once consolidation occurred, it was equally important to retain it. He believes the merged Board of Education did a good job of not only retaining the rivalry, but also of promoting “more civil rivalries off the field.”

Overall, this interviewee believed that consolidation was a success and that the impact generally has been positive. While this former Board chairperson does not believe that consolidation was motivated by any desire to improve either student achievement, graduation rates, or opportunities for students or teachers, he does believe all of these have improved since consolidation occurred, although he said he does not know if he should attribute the improvements to consolidation so much as to general improvement in education throughout the state. As he said in the interview, “How much is due to progress and how much to consolidation? Would it have happened anyway? I don’t know.”

On the other hand, the very thing he thinks was the County Commissioners’ motivation to consolidate, namely to save money, he is most sure has not improved since consolidation. He admits that the smaller of the three former systems now has more money available to it and is no longer in danger of surviving, but, he said, the cost of maintaining a larger system is just as expensive, if not more expensive, than maintaining three separate systems. In fact, the one thing he thinks was lost in consolidation was the “personal touch” where the Superintendent knew all employees by name and most of the students. He said the larger consolidated system has lost the “quality control” that is only possible in a smaller system. One thing is for sure, he said, and that is some of the influences of the old systems

will remain until those who worked and lived in them are dead and gone. Only when everyone involved is too young to remember the old way, he said, will the three consolidated systems really be one.

XYZ School District

Prior to consolidation the XYZ School District was comprised of a larger county system and a smaller city system.

Primary Documents. Primary sources, including Board of Education minutes, a *Plan of Merger*, and newspaper articles were also examined for the XYZ School District.

Board Minutes. The XYZ School District's Board of Education also kept archived minutes of all their meetings where a quorum was present, as required by NC General Statute 115C-67. The XYZ School District's Board of Education minutes were handwritten, rich in detail, and carefully approved at subsequent meetings.

Reasons for consolidation. Minutes from both Boards of Education and County Commissioners reveal that merger was on the minds of both County Commissioners and Boards of Education as early as February 1987, more than four years prior to their July 1991 consolidation. County Board of Education minutes from that date reference a letter in which their state representative sought their input and that of the County Commissioners on a bill before the General Assembly to fund one school system per North Carolina County. The Board of Education responded, saying that they opposed the bill and directed their Superintendent to inform the state representative of that decision.

Minutes from April 1987 reflect another issue on the County Board of Education's mind at this time. Board of Education action included a decision by the Board to increase their elected members from five to seven members "in order to achieve better balance in their

geographic and minority representation.” The two new members would be “appointed until such time as an election could be held.”

On August 13, 1987 the two Boards of education held their first joint meeting, though consolidation was not the reason. The purpose of the meeting was to discuss the possible free exchange of students between the two systems and “to promote harmony and unity in the county.” Apparently the county district was facing a need for additional facilities due to a growing student population. Their intent was to work with the smaller city system, which had some empty classroom space in most of their schools, to work out an agreement that would allow students to cross district attendance lines. The outcome of the meeting resulted in the County Board of Education agreeing to discuss changes to their policies and the consequences of funding tied to enrollment at their next meeting. Minutes from August 20, 1987 reflect that the city system was leery that such an agreement could be “the first step to consolidation.”

Minutes taken on April 13, 1987 reflect discussions by both Boards of Education around student assignments, growing student populations in the rural parts of the county, and population shifts away from the city limits. References were made to “county buses filled with students having to pass city schools with classrooms sitting empty to take them to a school where there are trailers.” Numerous discussions are recorded showing that both Boards of Education were spending much time working to balance student assignments within attendance zones.

At their second meeting in August 1987, the County Board of Education appointed its two new members, and at their September 14, 1987 meeting they discussed the request for a free exchange of students. They concluded that the smaller city system should consider

changing their attendance policies to mirror that of their policy. Also at this meeting, the Board of Education Chair told her fellow Board of Education members that she would like the Board of Education to examine the question of consolidation. The minutes reflect that a discussion by Board of Education members revealed three concerns: (a) governance—who would run the system; (b) where children would go to school; and (c) equalized funding. While the Board of Education tabled further discussion, they did ask the superintendent for a presentation, in a future meeting, on the projected cost of consolidation and what a study on consolidation would do. They said they preferred that the presentation not be done by “an outside agency, but by someone familiar with the county.”

At their October 1987 meetings (not a joint meeting), both Boards of Education were invited by the Chairman of the County Commissioners to send three of their members to Raleigh, along with the County Commissioners, to view and discuss a model school consolidation plan. Both Boards of Education accepted the offer and made the trip on December 4, 1987.

Process of consolidation. In the XYZ School District the consolidation process began in April 1988 when Board of Education members from the two separate districts adopted a resolution that allowed students from their two districts to choose to attend high schools across district attendance lines. This was the tipping point at which consolidation gained some impetus. Board of Education minutes show that by January 1989, the two districts had agreed to explore the idea of consolidation of their two respective systems. A public hearing was held on February 19, 1990. Citizens who wished to be heard on the matter of consolidation could register by calling the county school’s office. Speakers were limited to no more than three minutes each. Board minutes from that date reflect that the two Board of

Education attorneys served as moderator and timekeeper for the 138 people who had signed up to be heard. By 11 pm, 95 people had spoken, at which time the meeting was adjourned. The hearing was reconvened the next evening and 33 more people were heard. According to the minutes, the two Boards of Education met in a joint session following the hearing to discuss their findings. Then, as required by law, each met separately to vote on consolidation (NC General Statute 115C-67). By a vote of four to three by the County Board of Education and a vote of five to two by the city, consolidation was approved. Although Board of Education minutes show that even after the vote, both Boards of Education continued to receive signed petitions against consolidation, mostly from parents in the rural portions of the county, by April 1990 the County Commissioners had approved the *Plan of Merger*, and in May 1990, the State Board of Education approved it. Consolidation was set for July 1, 1991.

Board of Education minutes show that the Joint Boards of Education met at least monthly from May 1990 to May 1991. Items of business recorded from meetings held during this time reveal the internal process of consolidation. These business items include the following: attendance areas, curricula, personnel, policy, and buses. Board minutes from July 29, 1981 reflect that some of these decisions were not made until after consolidation on July 1.

Merger Analysis. Board of Education minutes and interviews with personnel from that time indicate that a *Merger Analysis* was also prepared for XYZ School District, but a copy could not be found in the system's archives, and an Internet search was unable to locate the document. Board of Education minutes, however, refer to the fact that Professor Joe Bryson at the University of North Carolina – Greensboro analyzed the two districts and advised the County Commissioners to utilize "paired neighbors," in which two schools, one

from each district, were paired with each other because they were in close proximity, for the purpose of reworking new attendance areas, maintaining racial equity, preventing busing across attendance areas, keeping neighborhoods together, and making the best use of facilities. Another recommendation was the election of an at-large candidate to become the new Board of Education Chair (XYZ Board of Education Minutes, February 26, 1990).

Plan of Merger. The introduction of XYZ's *Plan of Merger* (January 1989) contains no information about why consolidation took place or the expected impact. The plan is straightforward and contains only the necessary sections required under general statute. However, a copy of the minutes from the April 5, 1990 County Commissioners' meeting, at which the *Plan of Merger* was approved, discussed the processes used to bring about the merger, and even a prediction of the impact of consolidation: "For at least 25 years the governing body of the county has requested that the school systems merge in order to reduce current expense inequities and capital expenditure inefficiencies." The minutes go on to outline some of the methods the commissioners have used in the past to try to force consolidation. These include the consideration of withholding funding, offering a pool of \$1million, offering to pay for experts to study and assist in the consolidation, and encouraging legislative action to mandate consolidation. The minutes conclude with predictions of the impact of the upcoming consolidation saying, "We do find as a fact that consolidation of XYZ School Administrative units will result in a wiser and more efficient use of financial resources of this county and a vastly improved educational delivery system with equalized funding." Consolidation would also allow the middle school model to be implemented in the merged district.

Newspaper Articles. The local newspaper in the XYZ School District’s area reported on the reasons why consolidation was taking place. Early stories reveal that County Commissioners and Boards of Education were on one side of the issue and the general public on the other. Newspaper articles written three years prior to consolidation might lead readers to think that County Commissioners wanted consolidation in order to save tax money and that the two Boards of Education agreed (Taylor, 1988). However, an article written more than a decade after the final consolidation reveals that Boards of Education decided to join the County Commissioners’ consolidation movement in order to be “proactive rather than reactive” (Lee, 2010). They believed that supporting consolidation would help them retain control over the consolidation process rather than relinquishing it to County Commissioners. Central office staff and school-based personnel seemed to be caught in the middle, during the consolidation process, with no voice in the fight. As one district administrator was quoted as saying, “It didn’t matter what was going on with the County Commissioners and the Boards of Education, we were with kids every day and we just kept on doing school” (Lee, 2010).

Quantitative Data. Data on student outcomes and budget indicators were also gathered for the XYZ School District from the NC Department of Public Instruction Statistical Profiles, DPI archives, and school system accountability directors (see Tables 5 and 6). Data for the individual county system and the city system are drawn from the year prior to consolidation. Data for the consolidated system are drawn from the first full year after consolidation occurred and again in 2015. Student achievement figures reflect the percentage of high school and elementary students who were proficient on End-of-Course (EOC) and End-of-Grade (EOG) tests. Membership includes the number of students enrolled. Student achievement figures were not available for 1991 and 1992 because the

state did not collect or report school system achievement data until 1995, four years after consolidation. Graduation rates are the percentage of students who entered ninth grade who graduated four years later. Operating costs and capital outlay shown are on a per pupil basis (including state rankings). Operating costs are the expenses that a school district undertakes to maintain the operation of the school district. Capital outlay is the amount of money spent on construction or renovation of buildings, as well as the acquisition of real property. Student attendance is the percentage of students based on average daily membership for the school year. Student Attendance is a percentage of students based on average daily membership for the school year. These indicators of success were chosen by the researcher.

Table 5

XYZ School District's Student Outcome Indicators

<u>Measurement</u>	County	City	Consolidated	Consolidated
	<u>System</u>	<u>System</u>	<u>System</u>	<u>System</u>
Year	1991	1991	1992	2015
Membership	10,685	2,664	13,250	21,509
Elementary Student Achievement	NA	NA	NA	59.2
High School Student Achievement	NA	NA	NA	57.4
Graduation Rate	64.8	65.1	65.5	86.5
Student Attendance	89.8	91.7	94.7	95

Table 6

XYZ School District's Budget Indicators

<u>Measurement</u>	<u>County</u>	<u>City</u>	<u>Consolidat</u>	<u>Consolidated</u>
	<u>System</u>	<u>System</u>	<u>ed System</u>	<u>System</u>
Year	1991	1991	1992	2015
Operating Costs	\$3,761.61	\$4,847.15	\$4,728.18	\$5,140.00
State Ranking by Operating Costs	114 th	8 th	90 th	106 th
Capital Outlay	\$133.67	\$226.64	\$201.50	\$183.00
State Ranking by Capital Outlay	47 th	15 th	44 th	88 th

In the XYZ System, overall membership in the newly consolidated system decreased by 99 students over the previous year's total for three separate systems. The graduation rate increased by .7 and .4 percentage points in the new system over the previous year in the county and city system, respectively. Operating Costs in the new system increased by \$966.57 over the county system from the year before, but decreased by \$118.98 from the city system the same year. Likewise, Capital outlay in the new system increased over the county system, but decreased from the city system by \$67.83 and \$27.14, respectively. Student attendance in the new system increased by 4.9 and 3 percentage points over the previous year in the both the county and city system, respectively. In summary, student attendance and the graduation rate increased in the first year of consolidation, but only slightly. Operating costs and capital outlay increased slightly for the county system, yet decreased slightly for the city system.

When data from the first year of consolidation is compared to data from 2015, the most recent year for which data is available, a new perspective emerges. From 1991, the first year of consolidation for the XYZ System, to 2015, student membership grew by 7,259 students. Student achievement could not be compared because the state did not collect or report achievement data on school systems until 1995, four years after consolidation. The graduation rate increased by a whopping 21 percentage points. Operating costs over the ensuing 21 years increased by \$411.82, while capital outlay costs decreased by \$28.50. Attendance rates improved by .3 percentage points. The system's state ranking in operating costs dropped by 16 places from 90th position in 1991 to 106th position in 2015, as did the system's ranking in capital outlay, dropping 44 places from 44th to 88th.

Surveys. With the help of an employee of the system, 40 participants were identified to survey in the XYZ School District. Those identified included six parents/community members, five Board of Education members, eight teachers, eight building-level administrators, nine district-level administrators, three County Commissioners, and one administrative assistant (see Table 7). Surveys were emailed to the participants for whom email addresses were available. Hard copies of the survey were mailed to those participants for whom no email address was available.

Table 7

Participants Surveyed/Return Rate in XYZ School District

<u>Participant Role</u>	<u>Number Surveyed</u>	<u>Number Responded</u>	<u>Percent of Return</u>
Parents	6	5	83%
Board Members	5	3	60%
Teachers	8	6	75%
Building Admin.	8	6	75%
District Admin.	9	5	56%
Commissioners	3	2	67%
Other	1	1	100%
Total	40	28	70%

Reasons for consolidation. One-hundred percent of respondents in the XYZ School District say that facilities costs were “influential” or “very influential” in their system’s decision, while 96.4% responded that operating costs and 92.7% say personnel costs were “influential” or “very influential” in the decision to consolidate. At least 50% of the respondents also thought student achievement, graduation rates, expanding student opportunities, class size, and student attendance/participation were also influential. Only a minority of respondents believed drop-out rates, expanding teacher opportunities, teacher retention rates, and teacher morale had any influence on the reason for consolidation.

Process of consolidation. In XYZ, 53% of respondents also thought consolidation was initiated by County Commissioners; however, 18% also mention that the local School

Board was involved in initiating consolidation. As one respondent put it, “Several Board of Education members thought it was a good year to promote harmony and unity.” In addition, respondents from the XYZ System mentioned newspaper notices and radio/TV announcements as another part of the process. Concerning the actual steps in the process, the XYZ School District also used multiple public hearings, speakers at civic organization gatherings, and involvement by the faith-based community. None of the respondents mentioned the use of an outside consultant as part of their process, but, as already shown, a review of the primary documents reveal that the district did indeed use an outside consultant to develop a *Merger Analysis*, although it could not be located.

The XYZ School District held employees harmless for a period time after consolidation, hired a new superintendent, operated dual central offices for a while, and finally combined operations and services into a totally new location as a part of their consolidation process, all of which were recommended in the literature (Titus & Ross, 2007).

Impact of consolidation. A majority of respondents in XYZ School District believe student achievement “somewhat improved” or “greatly improved,” but the majority believed that since consolidation operating costs and teacher opportunities only “somewhat improved” or were “not sure.” Again, what is not answered in this survey is on what respondents are basing their opinions. As with the respondents from the ABC System, their answers seem to be based more on personal experience and feelings than a personal examination or awareness of the indicators of success that the researcher chose.

Interviews

Analysis of Interviews. In this section, interviewees were introduced into the research study to add context to their responses. Their backgrounds and experiences provide a glimpse of their understanding and beliefs about consolidation.

Interviewee #4/Former Superintendent of consolidated XYZ School District. This interviewee was a high school principal in the county system when the consolidation process was initiated. He later became the second superintendent of the consolidated district. Citing declining student enrollment and underutilization use of classroom space in the county system as the biggest reason for consolidations, this interviewee went on to say that the county system was growing in student population and running out of classroom space. When the two growing systems asked County Commissioners for more capital outlay money, the commissioners responded by suggesting consolidation of the two systems in order to open up classroom space without spending more money. This interviewee also referenced a statewide trend, at the time, of consolidating school systems where two or more were operating in the same county, as a means of cost efficiency. Overall, this former superintendent believes that consolidation was successful and cites more unified efforts toward teacher training, better use of facilities, and “great growth” as examples of what has improved. This educator has been involved in a number of system consolidations over his career and much of this interview was spent with him talking about his experiences in other systems and the advice he would give to those facing consolidation.

Interviewee #5/Former Associate Superintendent prior to consolidation of XYZ School District. This interviewee was the associate superintendent in charge of personnel, one of three associate superintendents, in the county system at the time of consolidation. He

came fully prepared for this interview and referenced the fact that he had reviewed the facts with some former colleagues who had gone through the consolidation experience with him. He eagerly began to tell his story before the first question could even be asked. He began by talking about how the county system was “fighting tooth and nail” to get money to add the positions of assistant principals, foreign language teachers, and school nurses to their schools, while the nearby city system had all of these positions in abundance due to a \$1 million a year current expense budget from the city council. According to this interviewee, the last superintendent hired prior to the legal requirement to consolidate had been hired with the “mandate to bring about merger.” This associate superintendent was present, he said, in his superintendent’s office when the county superintendent first called the city Board of Education chairperson and suggested the two systems merge. The chairperson was not interested; the city system, according to this interviewee, had “nothing to gain” from a merger: the city system was small so their \$1million annual current expense budget went far. As this interviewee tells it, “This \$1million budget also made them politically superior in the County Commissioners’ eyes, because the city system rarely bothered them for money while the county system was constantly begging.” Help finally came in the form of Senate Bill 1 and Senate Bill 2 that put more money into the county system. The county was not only able to add the additional positions that had previously only been present in the city system, but now the county system was able to raise their teacher supplement to a level that was superior to that of the city system. The city system, which had hired so many supplemental positions over the years with their \$1million budget, now had a cash-flow problem: their \$1million budget would not be enough to allow them to raise their teacher supplements to match that of the county. This became a leverage point that the county system used to finally get the city to

consider merger. When it became clear that the city system would go bankrupt in two years if they raised their teacher supplements to match those of the county, the city Board of Education suddenly became ready to listen to talk of consolidation.

The interviewee recalled the public hearing where citizens spoke out for and against consolidation. Proponents, he remembers, talked about improved opportunities and better school buildings. Opponents were often farmers from the rural section of the county who were concerned about higher taxes and “a challenge to their status,” which this interviewee defined as a blue-collar (county) versus white-collar (city) issue. He illustrated this phenomenon when he talked about when the central offices were combined into one office located downtown. Educators from the county district were told “they would have to dress better” now that they were working in town.

Consolidation was definitely a success, according to this interviewee. He cited better school buildings, more personnel, increased per pupil spending, and higher supplements as part of the impact of consolidation, although he admits a lot of this improvement came to all systems, consolidated or not, because of improvements in education across the state.

Interviewee #6/Former Director of Education for City System prior to consolidation of XYZ School District. This interview was the only one with a staff member from the city system involved in the consolidation of XYZ School District and as such was quite a contrast to the viewpoint of county representatives. The Director of Education began by describing the factors and conditions that brought about consolidation. He talked about a political climate in which the State Legislature was pressing for one school system per county. At the time, his county had two school systems: one larger county system and a smaller city system. Add to this a local political climate in which both (county and city) superintendents were at

the end of their contracts forcing two Boards of Education to look at the future and wonder what would be the best course of action for their districts. It is his opinion that it was the Boards of Education that initiated conversation about consolidating the two districts. He said there was never a “ground-swell” from parents or the community calling for consolidation and that for the most part the community at large was rather apathetic to the movement. His explanation is at the time most of the public was uninvolved in education in the county and did not pay much attention to the Boards of Education or what they were doing. This former director said that the city and county systems were “miles apart”; not so much in actual distance, but in spending, in expectations for students and staff and in instructional programming. The city system received not only state funding and local funding from the Board of County Commissioners, but they also received additional funding from the municipality in which they were located that the county did not receive. As a result, the city was paying their teachers a salary supplement that the county could not afford. In addition, the city had been able to add assistant principals, foreign language teachers, and counselors to all their schools, something the county could not afford. This was enough to make the county system consider consolidation in hopes of adding these additional positions to their schools, too. When asked, what would the city system have to gain from consolidation, his answer was that the city system had two low-achieving elementary schools that they wanted to improve. The two schools were located on the outside edges of the city. The thinking, he said, was that if consolidation took place, these low performing schools could incorporate students from the nearby county schools, who were performing well academically, and affect a positive change in the schools’ performance. For reasons he could not explain, this interviewee felt the two superintendents were also pressing their Boards of Education for

consolidation. The result was the two superintendents, backed by the respective Boards of Education, began to talk to County Commissioners about the possibility of consolidating the two systems. At the time County Commissioners were facing a challenge from the “lake area” of the county where large, new homes were being built and filled with what tended to be professional, educated parents with small children who were pressing for better educational programming and newer schools. The result was a “perfect storm” for consolidation.

Asked about other reasons why the systems consolidated, the interviewee admits the powers that be may have thought it would save some money, but that did not prove to be the case because only two positions were cut upon consolidation, so personnel costs remained pretty much the same. Likewise, while the city system already had very high expectations for their students, he does not believe student achievement or expanding student opportunities had any influence on the decision to consolidate. He never heard consolidation mentioned in reference to trying to improve opportunities for teachers, either.

As for the process used, this former director said there was very little time in which to make the transition and central office staff did not have much input. Their superintendents, directed by the Boards of Education, assigned tasks to central office personnel “who did as they were told.” Central office roles were assigned by the superintendents, without conferring with the persons involved. He believes the two positions that were lost were at the instigation of the superintendents. As best he can recall, the two employees involved were asked to retire and they did, “one willingly and the other less so.” In any case, the Director of Education believes that more communication and more input from central office staff would have made the transition process easier and more palatable.

The impact of consolidation was considerable, he said. Student achievement increased at all schools due to higher expectations for students and teachers in all schools, although he did admit that those schools with the lowest socio-economic levels still perform the poorest. The city schools had always had higher expectations of their students and teachers, as evidenced, he said, by greater test results. To illustrate the city's higher expectations of their teachers, he told a story about when their superintendent, at the time of consolidation, first came to the district and told teachers that "any bulletin board that had been up more than 10 days was dead." He talked about how that caused quite a stir among the former county teachers at the time who were used to leaving bulletin boards up for much longer periods of time, but how this came to be the standard across the city system by the time consolidation rolled around. By contrast, he said the former county's teachers would put up a bulletin board at the beginning of the year and leave it up until summer. Once consolidation occurred, the new district developed common goals, made positive improvements to instruction, and put much more emphasis on instruction, he said. The new superintendent, he said, implemented test data analysis, goal setting, and nine-week formative assessments that drove instruction. Consolidation even impacted the naysayers who spoke against consolidation so vociferously prior to it happening. Shortly after consolidation, its two most critical opponents ran for office and were elected to the Board of Education where, he said, they quickly learned that "even with elected authority their power was limited by the decision of the majority." One area that did not improve after consolidation, the Director believes, was the mindset of the County Commissioners. Nearly a decade after consolidation, the commissioners brag that their county still has the lowest school tax rate in the state.

Analysis of Interviews by Research Question

Analysis of the six interviews reveals much information about what motivated these specific school systems to consolidate, the process used to accomplish consolidation, and the perceived impact on such areas as student achievement, costs, and other areas that were deemed important by the stakeholders interviewed. Interview questions are located in Appendix B.

ABC School District

Reasons for consolidation. All three of the interviewees in the ABC School District agree that the Board of County Commissioners instigated consolidation and that it was an inequity in funding that motivated the commissioners to initiate the consolidation process. Coupled with the inequity in funding were the mitigating factors of a declining enrollment in one of the systems and underutilized use of facilities, interviewees agree. Also influencing the drive towards consolidation was the political environment of a General Assembly at the state level which was pushing for one school system per county. The issues of one system having a supplementary tax, efficiency, and preparing students for the workforce were also mentioned as reasons for consolidation, but appeared less in the conversation than the issues already mentioned. Only one interviewee from this district mentioned that saving money may have been a motivation.

Process of consolidation. While all of the interviewees from the ABC School District referenced *Plans of Merger*, interim Boards of Education, public hearings, and the election of new Board of Education, members who were part of the formal process of consolidation, however, recalled frequently, with great clarity, the lawsuit that stopped consolidation. That lawsuit halted the process until the suit could be resolved. The next most

referenced part of the process was the sheer amount of planning by central office staff, much of which went under the radar because of the lawsuit that was intended to halt district consolidation. The third most referenced topic was how important it was to hire the right superintendent to guide the process. As interviewee #2 said, “Our new superintendent had been through consolidation in another district and he knew what to do. The superintendent’s job was a lot like herding cats while we were getting prepared and we had a good one.” The only other topic mentioned more than once in the interviews was the use of attrition to weed out duplication in positions and the practice of holding employees harmless regarding changes in pay for a period of time. Other issues mentioned in the interviews, though not as frequently, were the development of district policies and a district strategic plan for the newly consolidated school district.

Impact. There were three instances where interviewees from the ABC System felt the impact was the greatest. The first was a loss of local control by the community in which a school is located. On this topic interviewees talked about the fact that as district lines were redrawn and more students and teachers were incorporated into the schools from new areas, parents were less likely to know or have any previous experience with their child’s teacher. The result was a loss of “closeness.” As Interviewee #3 stated, “In a small system the superintendent might know every teacher by name. Once you consolidate, the superintendent is farther removed, but if he’s smart he’ll hire assistant superintendents and principals who know the teachers.” Other significant impacts of consolidation mentioned were more equity in funding following consolidation and closing gaps in student achievement. Some other impacts of consolidation were mentioned by the interviewees, but with less frequency. These included the implementation of long-range planning for one district rather than three, more

focused resources, an improved quality of instruction, and the implementation of new programs for students, such as a Math Academy. Two of the interviewees mentioned that consolidation did not save money. They pointed to the fact that no schools were closed due to the process and no jobs were lost. As a result, costs remained the same or increased as the same number of schools continued to operate and the system continued to pay the same number of employees as the previous year.

XYZ School District

Reasons for consolidation. Two interviewees from XYZ System agree that it was County Commissioners who initiated the consolidation process in their county; one interviewee believes it was the county superintendent's mandate from the Board of Education that led to consolidation. All three, though, agree that it was an inequity of funding that ultimately was the driving factor. Initially, the city system had a source of funding unavailable to the county system that allowed them to add positions and supplements that the county could not afford. When the North Carolina legislature decided to provide additional funding to county units, the situation reversed. The city unit could no longer compete with the higher county salaries that were being established based on the new county monies. A trend of declining enrollment in one system while the other was growing in combination with the source of new funds for the poorer of the two systems, the county system, exacerbated the situation and hastened the process.

Process of consolidation. None of those interviewed from this district referenced the formal process required under statute for achieving consolidation. Instead they talked individually about the public hearing, how the tasks were assigned by the superintendent and

carried out by the central office staff, and about the small amount of time that was allowed for the work to be accomplished.

Impact. All three interviewees agree that consolidation of their system was a positive. They point to better student achievement as the evidence. They also mentioned a more unified atmosphere within the district, better use of facilities, and newer buildings as confirmation.

Interpretation across Data Sets

Data from primary sources, surveys, and interviews were examined to find patterns of agreement and dissonance. The data was evaluated by research question.

What were the reasons the selected school districts decided to consolidate?

Primary documents as well as quantitative data and interviews all confirm that the decision to form a consolidated school district can be attributed to a specific group (County Commissioners), but that decision was based on a myriad of details and mitigating circumstances. In both ABC System and XYZ System, these circumstances included a political climate in which the General Assembly was creating an expectation of consolidation in any county with more than one school system. This fact was corroborated in Board of Education minutes and in multiple interviews. The *Merger Analysis* for the ABC System and *Plans of Merger* for both districts also referenced circumstances that included inequities in funding, utilization of facilities, and student achievement as reasons why consolidation was considered.

What process was used to implement consolidation and how effective was it? The formal process of consolidation was clear only in the primary documents reviewed, specifically the *Plan of Merger*, and to a lesser degree, the *Merger Analysis*. This process

includes determining the name of the new system, the effective date of merger, transfer of assets, date of public hearings, use of supplemental taxes, pupil assignment, curriculum, and personnel. The process referred to most often in surveys and interviews was that of work done by the interim Board of Education, superintendent, and central office staff in preparing for the consolidation of schools. This included adapting policies, developing programs, choosing curricula, assigning personnel, and developing attendance lines and bus routes. In the ABC System, the ensuing lawsuit was viewed as part of the process by participants in the survey and interviews. Consequently, the districts that formed the ABC consolidated system did not wait for the resolution of the lawsuit to begin plans for how to implement the consolidation process, instead opting to work “under the radar” so that the transition would be smooth. In contrast, the XYZ system’s lack of an effective process was the result of the district offices being left out of the negotiations by the two school boards and the County Commissioners.

Based upon specific measures of success selected by the researcher and others provided by participants in the study, what was the impact of school consolidation?

Survey results and interviews show that stakeholders in both systems agree that consolidation of their system was a positive experience, overall. The greatest areas of success, according to the stakeholders surveyed and interviewed, appeared to be improvements in facilities, student achievement, staff unity, and instruction. While some comments were recorded that indicated that communication and staff input might have made the consolidation process better, not one participant of this study believed that the school districts were better off prior to consolidation. Participants cited several factors they characterized as successes apart from the indicators of success selected by the researcher: equalization of funding and opportunities for

students, equalization of taxes, better support for schools and facilities, better communication, a more unified spirit among employees, and the continuation of rivalries between schools that remained friendly. Survey respondents did not like the loss of local control, the closing of some schools, shifts in some attendance lines, and increased costs in some areas. As one respondent stated, “Improved efficiencies does not always equate with money.”

Data collected around the identified indicators of success in the first year of consolidation do not always support their assumptions of overall improvement. While graduation rates and student attendance were up and capital outlay costs were down, the first year following the consolidation of ABC School District, student achievement at the high school level was down and operating costs remained about the same or a little higher. However, by 2015, eleven years after consolidation, some real improvement could be seen in the ABC System. While membership was down by about 1500 students, graduation rates were up 15.2 percentage points over that first year of consolidation, student attendance was up 3.6 percentage points, and state rankings in operating costs and capital outlay had improved—from 77th to 55th place and 80th to 20th place, respectively.

The same was true for the XYZ System. In the first year following consolidation, there was little change in graduation rates or spending, student achievement could not yet be compared, and only student attendance showed any improvement. By 2015, though, XYZ System was showing some real improvement. Twenty-four years after consolidation, membership was up 8000 students, showing that the system was competing with local charter and private schools; graduation rates were up 21 percentage points; capital outlay had decreased in real dollars; and student attendance continued to improve. Operating expenses

had increased slightly in real dollars, with the system ranked 106th out of 115 systems, well below their 90th place ranking the first year following consolidation.

Summary of Findings

This case study of five North Carolina school systems being consolidated into two school districts provides a fresh perspective to available research studies. Current literature on the subject of consolidation emphasizes two major reasons why school districts consolidate: (a) to save money by reducing costs (Clark, 2013; Conant, 1959; Giddy 2006) and (b) to improve educational outcomes for their students (Berry, 2003; Brigman, 2009). Indeed, it was a desire on the part of the County Commissioners in both ABC and XYZ School Districts that led to the initial discussion of consolidation. Based on the examination of primary documents, indicators of success data collected, survey results, and interviews, it was an attempt by the Board of County Commissioners in both the ABC School District and the XYZ School District to better utilize existing classroom space that was a prime motivating factor for consolidation. This space, it was hoped, would save money for the county by not requiring the construction of new classrooms. Improving educational outcomes, on the other hand, were, at best, secondary factors in the decision to consolidate in either system. Another driving factor in both ABC and XYZ Systems was the political environment generated by the North Carolina General Assembly which, encouraged consolidation in counties where more than one school system existed. According to survey and interview responses, County Commissioners were strongly influenced by the political environment of the time.

The school districts were required to adhere to certain processes mandated by North Carolina statutory law if they were to be approved to consolidate; which both districts did.

The research literature also provides suggestions on establishing a timeline, the make-up of the transition team and establishing an interim Board of Education, as well as policy development techniques (Andrews et al., 2002; Slate & Jones, 2005; Titus & Ross, 2007). Absent from the current literature is a deep appreciation for the amount of time that it takes to adequately prepare for successful district consolidation and the myriad of political issues generated by state, county, and local politics that can easily hinder or derail the consolidation process. Interviews with those who lived and worked through the changes of consolidation revealed how extensive these tasks were; some so great that they could not be completed in a single year. The ABC System understood this and risked a legal cease and desist order and negative repercussions from opponents for moving forward with planning and organization of the new district while a lawsuit against consolidation was active in state courts. In contrast, the XYZ County Commissioners moved rapidly ahead with consolidating school districts but did little to involve the district office in the decision of whether to consolidate or not. Once the decision was made, little time was available for the districts involved to plan and prepare for the opening of the newly consolidated school district.

Another important task in the consolidation process that emerged from this story is the development of policies governing the newly consolidated system. It appears that systems often begin by incorporating current district policies into the new system's policies until time and experience bring about new policy development. Along those same lines, combining the central office staff from multiple districts is a task that requires the superintendent to either dismiss or wait for district employees to retire so that the most effective central office can be established. That part of the process cannot be completed overnight. Unless some schools are closed due to consolidation, teaching staff and building

administration numbers usually stay the same; however, anytime systems consolidate there are usually duplicate central office staff. While, the North Carolina Department of Public Instruction recommends that all staff be held harmless for at least two years, there becomes a time when duplicate central office staff must be eliminated. This often requires retirements to occur, contracts to expire, and other reduction-in-force measures to be enacted. Because long-range tasks take time, the impact of consolidation can be a moving target.

Some of the current literature predicts that consolidation is likely to result in additional costs to the school system and a decline or no change in student achievement, in spite of the best wishes of those who decide to undertake school district consolidation. While the results of this study seem to mirror those predictions, the surveys and interviews conducted indicate that the majority of participants consider consolidation overall to have been a positive influence. Despite data that show that costs increased slightly in some areas and student achievement barely changed or declined, while graduation rates and student attendance improved, participants in the two consolidated districts continue to view consolidation positively 11 years for the ABC System and 24 years later for XYZ System. One respondent summed it up this way, “We fought it tooth and nail, but looking back now, it was the best thing that could ever have happened to us.”

Another perspective provided by this study is that the level of success that a newly consolidated system can expect after consolidation depends in part on how well the individual districts were doing prior to consolidation. Lower performing districts with less money tended to fair better after consolidation, while the higher performing districts saw its student achievement drop somewhat. Ironically, this finding is what many opponents of

school consolidation fear—that the other district or districts involved in the consolidation will fare better and that they will somehow be the loser as a result of a less than balanced bargain.

CHAPTER 5

Conclusions

As discussed in previous chapters, the current literature provides a great deal of information about school district consolidation. What is not available in the existing literature is a deeper look at the consolidation of specific school districts to determine, based on their rationale for consolidation and the processes that they used to consolidate, whether consolidation was successful. Success in this case study was measured using five indicators selected by the researcher: student achievement, graduation rate, operating costs and capital outlay (including state rankings), and student attendance. In addition, the perceptions of participants who participated in this study, who were also involved in the actual process of consolidation in the districts, provided personalized definitions of success based on their experiences.

The purpose of this study was to investigate why five North Carolina school systems consolidated, to evaluate the processes that they used to accomplish consolidation and to determine the impact of that consolidation. To provide focus for this study, the following research questions were developed:

- 1) What were the reasons why the selected school districts decided to consolidate?
- 2) What process was used to implement consolidation and how effective was it?
- 3) Based upon specific measures of success selected by the researcher and others provided by the participants in the study, what was the impact of consolidation?

In this chapter, conclusions based on the data analysis and findings will be organized around the three research questions. Provided is an analysis of the findings as compared to the literature, limitations of this study, implications of the findings, and areas for further research.

Analysis of Findings and Literature

Analysis of primary documents, quantitative data, and interview responses from this study shows congruence between the current literature and this study's research findings. Indicators of success reveal that the two consolidated districts had both successes and failures when evaluating consolidation based on the quantitative indicators of success. Responses from the research study's participants highlight a different set of measures by which they viewed success and failure. What follows is an analysis of the reasons these five school systems consolidated, the processes they used, and the impact of consolidation based on the literature and this study's findings.

Reasons for consolidation. According to existing literature, the reasons school systems consolidate fall into four categories. These categories are (a) economic reasons (Clark, 2013; Heinz, 2005; Kamerzell, 1994; Meeker & Weiler, 1970; (b) educational reasons (Conant, 1959); (c) political reasons (DeYoung, 1989; Spring, 1987); (d) some other reason of discontent (Clark, 2013; Conant, 1959; Giddy 2006) and (e) improved educational outcomes for their students (Brigman, 2009). Each of these reasons documented in the literature are at work, in some way, in the establishment of the two consolidated North Carolina school districts in this study.

In the ABC School District, the consolidation process began as an economic response by the Board of County Commissioners as a way to better utilize classroom space. At the

time, two out of the three districts were out of space for students and the third system had classrooms sitting empty.

In the case of the XYZ School District, where a smaller city system consolidated with a county system, it was for economic and political reasons rather than educational ones that they consolidated.

Economic reasons. The broadest and most general economic reason for consolidation involves economies of scale. Economies of scale occur when the combining of two or more school systems into one leverages the buying power of the school system so as to reduce costs. Economies of scale are referenced throughout the literature both in support of and in arguments against consolidation (Clark, 2013; Kamerzell, 1994). Closely aligned to economies of scale is the motivation of County Commissioners and Boards of Education to view consolidation as a means for cutting costs and saving money by the apparent need for fewer administrators and shared materials (Clark, 2013; Kamerzell, 1994). Such was the case in the motivation behind the consolidation of the ABC School District. To businessmen who were a majority of the professions represented on the ABC's Board of Commissioners, consolidation of the school districts made economic sense due to economies of scale. Newspaper articles, the *Merger Analyses*, and *Plan of Merger* for the ABC School District referred to consolidation efforts as an opportunity for cutting costs and saving money. Citing capital outlay, operating costs, and costs for personnel, the ABC merger analysis cited the major focus of consolidation to be financial.

Four years prior to consolidation, the two Boards of Education in the XYZ School District were also dealing with shifts in student populations, though for different reasons. The county system had outgrown its classroom space, while the city system was facing a

shrinking student enrollment that left classrooms standing empty. When the growing county system asked the Board of County Commissioners in their April 5, 1990 meeting for more money for capital outlay, the Commissioners turned to the empty classroom space in the city system as an answer. It was hoped that consolidating the two systems would solve the classroom space problem, save money and reduce inequities and capital fund inefficiencies. Further, XYZ's *Plan of Merger* projected a cost savings for that system as a result of their consolidation. More than decade since consolidation occurred in these systems, data shows that no savings were realized from the act of consolidation, just as predicted in much of the literature. It seems ironic that a common reason that both ABC and XYZ Systems originally consolidated (to save money) resulted in an increase in expenditures. This increase in costs did not occur immediately following consolidation for either ABC or XYZ. Only a year after consolidation, changes in operating costs and capital outlay, for both ABC and XYZ, were hard to decipher due to the fact that these expenses increased for some of the former unconsolidated systems while they increased for others. However, in looking at 2015 data, it is clear that, when adjusted for inflation, operating costs increased for both systems. For the XYZ School District both the state rankings for operating costs and capital outlay increased while ABC System's rankings in both areas increased drastically. County Commissioners and Boards of Education would be wise to heed the literature on the costs of consolidation and realize expenses will likely increase after consolidation, especially when one of the goals is to equalize expenditures, which requires salaries, staffing and facilities, to be brought up to the level of the district that expends the most. The greater the disparity between the districts, the more money that has to be spent to produce an equality of spending for all districts involved in the consolidation. In some instances, rather than raise taxes to obtain needed

money, the newly consolidated district may opt to merely reduce expenditures in programs or capital outlays to derive money to equalize other areas, which is not always good for teachers and students.

Educational reasons. Clark (2013) indicates that educational reasons are the motivation behind consolidation in some systems. Educational reasons include a desire to improve educational outcomes for students such as better attendance rates, higher test scores, more student involvement in school-related activities, better preparation for college or the workforce, and increased graduation rates. Conant (1959) argued that larger systems could offer more elective classes and better prepare students for education beyond high school. He concluded that a limited faculty could not offer the academic offerings necessary for greater achievement. The literature documents that consolidation is often viewed as a way to increase the district's human and fiscal resources by making it possible to offer better professional development for teachers, lower class size for more individual attention to students, and expand curriculum offerings (Doris-Keller, O'Hara-Miklavic, & Fairman, 2013). According to interview respondents, that is just what happened when the business community in the ABC System complained to the county commissioners that students were graduating unprepared to enter the workforce. The commissioners' first reaction was to turn to consolidation as a means of improving educational outcomes for students, just as the literature predicted. Both survey results and interview responses show that improving educational outcomes for students was at least "influential" in the decision.

Improving educational outcomes may not have been as much of an overt cause of consolidation in the XYZ System as it was in the ABC System, but the success of students was certainly on their minds. Survey respondents and interviewees agreed that educational

outcomes were “influential” in their decision, again proving that educational outcomes are often a motivating factor in the decision to consolidate.

Certainly improving the educational outcomes of students is commendable and the most important work any school system does; however, County Commissioners and Boards of Education must be aware that, just as the literature predicts, educational outcomes are not always likely to improve because of consolidation. Whether it is because a consolidated system often becomes so large that they lose their personal touch or whether its parents feel alienated by the larger size, student achievement can suffer even though greater resources are provided. Such is the case for the ABC School District where changes in achievement outcomes were hard to determine only one year after consolidation, but were clearly declining 11 years later. Changes in student achievement in the XYZ System are harder to determine because the state did not collect or report student achievement data immediately before or after consolidation, leaving nothing to compare to data available in 2015. The concern that consolidation is not always likely to improve student achievement is a significant consideration for school districts facing consolidation.

Political reasons. Sometimes consolidation occurs because of pressure by State Legislatures. Legislatures can have number of reasons for pushing consolidation. As Howley, Johnson and Petrie (2011) report, even when economies of scale have been maximized by the size of a system and local districts experience no savings, states can still save money by reducing the number of districts it funds. States achieve savings because they fund districts on a per pupil basis and allot positions. When districts merge, the number of students in the state does not change, only the number of positions change. When there is no longer any duplication of positions, such as multiple superintendent positions, the state

achieves some savings. While local government may not fully benefit from these savings, legislators can boast about cutting costs and doing more for less.

Interviewees in the ABC System referred to a “climate at the state level that encouraged merger” at the time their systems consolidated. Political reasons also entered into the decision to consolidate in the ABC system when interviewees referred to the fact that the period in which consolidation occurred coincided with a time that a majority of the Board of Education members were up for re-election but did not plan to stand for election again. This created a political climate in which consolidation was possible since, as one interviewee put it, “They (board members) knew they’d never get re-elected.”

As early as 1987, four years before their consolidation occurred, the XYZ School District was aware of the existing political climate in the North Carolina General Assembly that encouraged the consolidation of school systems in any county with more than one existing system. In February 1987, County Commissioners polled both Boards of Education in the county as to their feelings concerning consolidation. The poll was in response to a request by the county’s State Representative request for input on a bill before the General Assembly to fund one school system per North Carolina County. Interviewees in the XYZ System referred to a “climate that encouraged merger” at the time. One interviewee referred to the fact that County Commissioners in XYZ system believed that if they “didn’t take action, the Legislature would, and rather than risk having this decision being taken out of their hands, commissioners decided” to pursue consolidation in order to retain control.

In the XYZ System, minutes from the April 13, 1987 County Board of Education meeting reflect that another politically charged issue influenced their decision. Board

members had already decided to increase their elected members from five to seven at a referendum aimed at achieving “better balance in their geographic and minority representation.”

Like the ABC System, a majority of respondents in the XYZ System stated that, at the time of their district’s consolidation, the State Legislature had created a climate in which Boards of County Commissioners were encouraged to consolidate school systems in counties where more than one system existed. Such was the case in both the ABC School District, where three separate systems vied for funding, and in the XYZ System where two systems existed. Clearly, both of these school systems were influenced by political reasons in their decision to consolidate.

Reasons of discontent. Reasons of discontent involve such issues, as reported by Clark (2013), as declining enrollment, a financial crisis in the system, or some other reason resulting in the abandonment of the district by the local board of education. Interviewees and survey respondents in both ABC and XYZ Systems cited declining enrollments in one of the smaller units at the time of their consolidation. Findings show that many of those surveyed and interviewed from both the ABC and XYZ School Districts believed that consolidation, at least in part, was a result of a move to save a failing city system.

Process of consolidation. The initiation of the consolidation process in North Carolina is allowable by state statute in one of three ways: (a) action by the board of county commissioners; (b) a request from the board(s) of education; or (c) action by the State Legislature (NC General Statute 115C-67). Once the decision is made to consolidate, NC General Statute 115C-67 defines the processes and procedures required for consolidation to take place.

According to the findings in ABC School District, it was county commissioners who initiated the consolidation process. Ninety percent of the survey respondents in the ABC System say the consolidation process was initiated by the Board of County Commissioners. Interviews confirmed this fact. As one interviewee stated, "... (I) don't think they'd (Boards of Education) would ever have done it if the Commissioners hadn't made them." Unfortunately, a lawsuit, filed by the larger of the two city systems in May 2000, stopped the consolidation process for the next four years and became an important, though "unofficial" part of the process.

The introduction of the lawsuit into the ABC System's consolidation process was an important factor that should not be overlooked in the analysis of the consolidation process. Consolidation involving lawsuits are the not a topic often discussed in the current literature. Once a lawsuit is filed, all action toward consolidation legally is supposed to cease. In the ABC System, the County Commissioners and the School Boards ignored this. Working under the radar, the County Board of Education decided that there was nothing to stop the districts and their staffs from working together on school business that they had in common. While two of the Superintendents were agreeable to the Chairman's suggestion, the third Superintendent, whose Board of Education initiated the lawsuit, was hesitant. Wisely, the Superintendent and his staff decided to join forces with the other two systems and for the next four years the three central offices developed procedures and routines that were used in the newly consolidated system. In hindsight, the action by the Board Chairman and the three central office staffs proved to be invaluable, allowing the districts involved to organize and prepare a plan for implementing consolidation that ultimately promoted success.

The Board of County Commissioners strongly promoted the consolidation of the two school systems in XYZ School District. Surveys and responses to interview questions identify the Commissioners as the initiating body. However, the interview with the former Associate Superintendent also reveals a glimpse of a clandestine conversation between the then-Superintendent of the county system and the Chairman of the city's Board of Education, in which the Superintendent suggests that the two systems merge. This interview, though never officially recorded or documented, was cut short when the city board's chairman declined to discuss the matter. A period of time would have to pass before the city system was receptive, but eventually consolidation did occur.

Lacking any legal challenge to consolidation, the two school systems in XYZ were able to rapidly carry out the process for consolidation outlined in NC General Statute 115C-67. The name of the new system was identified; the effective date for consolidation was set for July 1, 2000; a new Board of Education was established, along with their duties and responsibilities; a plan was outlined for the transfer of all assets; and a public hearing was held, but the Board of Education decided that the consolidation would not be put to a referendum. While the consolidation of these two systems was not the choice of all players involved, survey responses and interviews show, the process used to accomplish consolidation worked the way it was designed without any interference.

Impact of consolidation. As we have seen, the current literature predicts that the two major reasons school systems consolidate – to save money and/or improve educational outcomes – are not always to occur (Andrews et al., 2002; Davis & Associates, 2009; Hoxby, 2000; Slate & Jones, 2005; Titus & Ross 2007). In fact, according to the literature, the impact of consolidation frequently results in additional costs and a decline or no change in

student achievement (Boser, 2013; Clark, 2013; Cotton, 1999; Coulson, 2007; Howley et al., 2011). Conclusions based on an examination of actual dollars spent by the ABC School District, nearly a dozen years later, bear out these predictions. Only a year after consolidation, operating costs in the consolidated system had increased only slightly over two of the previous systems and actually decreased in comparison to the third system. In 2015, 11 years after consolidation, operating costs, measured in actual dollars, continue to decrease over operating costs in the three previous, unconsolidated systems. After adjusting for inflation, ABC's operating costs increased by about \$400; far from the \$500,000 savings predicted the original *Plan of Merger*. The system's ranking in the state, as far as operating costs are concerned, improved (to 106th) over the 11 years from two of the previously unconsolidated systems, but it never reached the ranks of the larger city system who ranked 28th in the state before consolidation.

Student achievement figures for the ABC Consolidated System reflect the literature's prediction that achievement would not necessarily succeed. In the first year after consolidation, high school proficiency dropped slightly below all three previous systems' scores, while elementary proficiency increased over two of the previous systems. By 2015 proficiency rates at both high school and elementary levels had dropped as much as 29 percentage points. However, ABC's Accountability Director, when contacted by phone, responded that he believes this drop in student achievement might better be attributed to a change in the state's accountability formula, testing program, and curriculum standards than to consolidation.

A year after consolidation, changes in XYZ's operating costs and capital outlay were inconclusive because costs were up over the county system but still below those of the city

system. By 2015, it was clear that operating costs were up as much as \$4,300, with figures adjusted for inflation. Capital outlay, when adjusted for inflation has also risen slightly (by \$121). XYZ's state ranking for operating costs improved over the 16 years to 106th place, but never reached the ranks of the city system that was ranked 8th in the state prior to consolidation. Their ranking in capital outlay had dropped to 88th in 2015 from 44th place the first year after consolidation; however, XYZ's capital outlay never reached the ranks of the city system which was ranked at 15th in the state prior to consolidation.

Changes in student achievement figures for the XYZ System could not be determined because achievement figures were not available until 1995, four years after consolidation occurred. However, graduation rates and attendance rates increased the year after consolidation and continued to rise in 2015.

Respondents to survey and interview questions in both the ABC and XYZ Systems indicate that consolidation was a positive change for their community. As one ABC interviewee stated, "Whether you were for or against consolidation, once it was accomplished, you have to admit that things are better all-around for all of us." This statement flies in the face of several of the researcher's indicators of success, which show that only in the areas of student attendance and graduation, which improved immediately after consolidation and continued to improve in 2015, were things truly better for everyone involved in either the ABC or XYZ System. Student achievement, the most important focus of any school or school district declined, showed no change, or did not improve.

Limitations of the Study

This study is not without its limitations. While I believe all participants provided their honest opinions when answering the survey and interview questions, I cannot guarantee the opinions of those in this study accurately reflect the opinions of all the districts' citizens.

The length of time between the time of this study and the consolidation of the XYZ School District also proved to be a limitation in the reporting and comparison of student achievement data for this district for the purposes of establishing impact. In 1990, when the XYZ School District consolidated, student achievement data, especially at the high school level, was self-reported by the school district and not by the state. The State of North Carolina Accountability Program was not established until 1995, and the state did not begin a standardized collection and reporting of data until that time. For this reason, no comparable student achievement data is available for the XYZ System either prior to consolidation or immediately after.

Even though the ABC System's consolidation took place in 2004 when the State did collect and report data, the state's Accountability System has changed at least twice since that time, making it hard to compare data sets. Also, the assessment instruments themselves have changed over the years, whether self-reported or collected by the state, thus making it hard to compare student achievement data for both the ABC and XYZ Systems.

Finally, I was unable to talk firsthand to any County Commissioner for this study. Although one Commissioner in the ABC System did agree to be interviewed, his hospitalization and subsequent illness has prevented an interview. Possibly due to age, no Commissioners in the XYZ System, which consolidated 24 years ago, volunteered to be

interviewed for this study. Interviews with County Commissioners, who were so instrumental in the initiation of the consolidation process, could have proven to be invaluable to this study.

Implications

There are a number of implications in this study. The first implication is that, just as predicted in the literature, consolidation does not always save money or improve student achievement. This case study shows that costs did increase and that student achievement declined, showed no change, or could not be determined.

Another inference can be drawn from the amazingly high sample size from both school systems that responded to the survey. In the ABC System, although consolidation occurred 11 years ago, 40 out of 56 people, or 71%, responded. In the XYZ system, where consolidation occurred 24 years ago, 70%, or 28 out of 40, people responded. These high rates of return so many years after the fact imply that the effects of school district consolidation deeply impact stakeholders. The implication is that additional case studies on the consolidation of specific school districts are needed in the future, so that the body of research literature can be expanded to include how the differing contexts of individual school districts affect a school district's consolidation.

The introduction of a lawsuit into the process of consolidation in the ABC System underscores how important it is for central office staffs to be involved in the process of merging multiple school districts into a single consolidated school district. Once the lawsuit was filed, all processes were supposed to legally cease but the School Boards and district offices realized that the act of consolidation would fail without the involvement of central office staff in the process sooner rather than later. This also implies how much of the actual

work of the consolidation process, and its success or failure, lies in the hands of the district office staffs.

Further Research

Additional research needs to focus on an increasing organizational phenomenon—the deconsolidation movement. Some research posits that student achievement is optimal in school systems that have populations no greater than 6000 (Andrews, Duncombe, & Yinger, 2002). According to the latest data, only 44 out of North Carolina’s 115 public school systems have less than 6000 students enrolled. Charlotte-Mecklenburg Schools, the largest system in North Carolina, has 146,000 students.

John Hood (2013), president of the John Locke Foundation, suggested in an opinion piece in the *Charlotte Business Journal*, that in order to save money and increase student achievement districts must “break up our sprawling urban school systems into smaller districts” (p. 4). He suggested,

There is no reason why NC students, families, educators, or policymakers must live with the negative consequences of past political decisions. For every dollar that the merger might save by eliminating duplication, the new district often spends at least a dollar on the higher personnel or program costs that come from being larger and harder to manage. (p.4)

Future research around consolidation should include a look at deconsolidated school districts and the outcomes that result from deconsolidation.

The idea of sharing services between two or more non-consolidated school systems also needs to be examined in future studies. Shared services between school systems can include materials purchasing, food services, transportation, and maintenance. The sharing of

these services between two or more school systems that are within the same county or in adjoining counties may well offer cost savings based on economies of scale that are often a reason systems consolidate. Shared services might afford the same cost savings sans consolidation. Sharing services has the potential to provide services at a lower cost while permitting the existing school districts to forego the often convoluted and lengthy process of school district consolidation.

Looking Forward

The consolidation of school systems in North Carolina has not occurred since 2004. With 15 North Carolina counties still operating multi-district units within the same county, it is unlikely that consolidation will not occur sometime in the future. Whether consolidation will take place because of political pressure from the Legislature or because local Boards of County Commissioners attempt to save money or improve student achievement, the fact is that the systems involved will embark on a journey that is fraught with lengthy and involved processes. In fact, the outcomes derived from the five measurements selected by this researcher to assess the degree of progress reveal spotty improvements. Some areas such as the graduation rate and attendance showed improvement, while student achievement—one of the most important measures of success for a school district, declined, or could not be determined. This case study reveals that whatever the official reasons given for initiating the consolidation process, a great deal of ambiguity exists in determining whether it was the consolidation process itself that affected the outcome or other intervening variables from which the school district had little or no control.

Findings in this study indicate that understanding the rationale for why school districts opt for consolidation must be measured against the realities of the consolidation

process ever achieving what the stakeholders desire to achieve. The local context of each school district involved should be considered before moving forward. Success will be defined in part by how the participants choose to define success in light of how consolidation affected them personally. Years after consolidation is completed, success may depend as much on the participants' perception of success as success based on objective, pre-identified data. The fact that participants involved in this study still were eager to discuss their perceptions about school district consolidation, 11 and 24 years after the process had occurred, should not be lost on citizens or politicians. The 15 systems where this scenario might play out in the not too distant future, should tread carefully and ask themselves an important question—Will the results of school district consolidation justify the reasons why their system chose to consolidate, years after the process was agreed upon?

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APPENDIX A
School District Consolidation Survey

School District Consolidation Survey Questions

1. What was your role during your school system's consolidation process?
 - ll Parent/Community Member
 - ll Board of Education member
 - ll Teacher
 - ll Building level administrator
 - ll District level administrator
 - ll County Commissioner
 - ll Other: (please specify)

2. What is your current position?
 - ll Parent/Community Member
 - ll Board of Education member
 - ll Teacher
 - ll Building level administrator
 - ll District level administrator
 - ll County Commissioner
 - ll Other: (please specify)

3. Who initiated the consolidation process in your school system?
 - ll General Assembly
 - ll County Commissioners
 - ll City Council/Local Officials
 - ll Superintendent(s)
 - ll Teachers/Staff
 - ll Parents/Community Members

ll Local Business Community

ll Other: (please specify)

4. In your opinion, why did your school system decide to consolidate?
5. How influential was each of the following in your school system's decision to consolidate? General Assembly; County Commissioners; City Council/Local Officials; State Board of Education; Local Board(s) of Education; Superintendent(s); Parents/Community Members; Principals/Teachers/Staff; Local Business Community

ll Very influential

ll Influential

ll Somewhat influential

ll Little influence

ll No influence

6. How influential was each of the following in your school system's decision to consolidate? Student achievement; Drop-out rates; Graduation rates; Operating costs; Personnel Costs; Facilities costs; Expanding student opportunities; Expanding teacher opportunities; Class size; Student attendance; Teacher retention rates; Teacher moral

ll Very influential

ll Influential

ll Somewhat influential

ll Little influence

ll No influence

7. Please describe your school system's consolidation process. For instance, what was done first, next, etc.
8. In hindsight, what would you change about the consolidation process your district followed? For instance, tell what you think should be changed, added, or done differently.
9. Which of the following did your school system use in preparing for consolidation? Choose all that apply.
 - ll Single public hearing
 - ll Multiple public hearings
 - ll An outside consultant
 - ll Online or written surveys
 - ll Newspaper notices
 - ll TV/Radio announcements
 - ll A vote by the community
 - ll Speakers at civic organizations
 - ll Involvement of the faith-based community
 - ll None of these
 - ll Other: (please specify)
10. Which of the following did your school system do immediately following consolidation?
 - ll Held current employees harmless
 - ll Hired a totally new superintendent for the system
 - ll Operated dual central offices for a period of time

ll Combined operations and services of two or more former systems in a totally new location

ll Other: (please specify)

11. Please describe how each of the following has changed since consolidation.

Student achievement; Drop-out rates; Graduation rates; Operating costs;
Personnel Costs; Facilities costs; Expanding student opportunities; Expanding teacher opportunities; Class size; Student attendance; Teacher retention rates;
Teacher moral

ll Greatly improved

ll Somewhat improved

ll Not sure

ll No change

ll Had a negative affect

12. Which of the following best describes your role/position after consolidation?

ll Did not change

ll Changed to another position

ll Was lost due to consolidation

ll I am no longer with the school system for a reason unrelated to consolidation

ll Other: (please specify)

13. If you would be willing to participate in a phone interview, please enter your name, phone number, and best time to contact you here:

APPENDIX B
Interview Questions

School District Consolidation Interview Questions

1. How were you involved in the consolidation process in your school system?
2. What factors or conditions existed in the county at the time that led the school systems to consolidate?
3. Who was it that wanted consolidation?
4. What was their motivation?
5. What were they trying to improve?
6. In what way did the General Assembly influence the system to consolidate?
7. How about the State Board of Education?
8. County Commissioners?
9. Local board? Superintendents?
10. School staff?
11. Local businesses?
12. Who was against consolidation? Why?
13. How long did the opposition last?
14. At the public hearing, what arguments did proponents use to argue for consolidation?
Opponents?
15. Did the motivation to consolidate have anything to do with students, such as achievement, drop-out rates, graduation rates, expanding opportunities, class size or attendance?
16. Did it have anything to do with cost, such as operating costs, personnel costs, or facilities?

17. Did it have anything to do with teachers, such as expanding opportunities for them, morale, or retention rates?
18. Did consolidation help those things or hurt them? How?
19. Talk about the transition period as two school systems became one. What went on during that time? What was handled well? What was not handled so well? What would you change?
20. What improved after consolidation? How do you know?
21. What did not improve? On what are you basing your answer?
22. What changed for staff?
 - For students?
 - For the community?
 - Did it save money?
23. Would you say consolidation was successful?
 - On what are you basing your answer?

APPENDIX C
Informed Consent

March 2016

Dear Stakeholder:

My name is Leslie Barnette and I am currently working on my dissertation research in Educational Leadership at Appalachian State University. My research involves the factors and conditions related to school district consolidation. To conduct my research, I am requesting your participation.

I requested and have been granted permission from your superintendent to conduct my research in your school system. Currently, I am seeking stakeholders from the district that were involved in the consolidation of your school district. I would like for you to complete an electronic survey on your opinions related to consolidation. The link to the survey is at the bottom of this email. . The survey consists of approximately 13 questions and will require no more than 10 minutes to complete. Please note that your completion of this survey serves as your consent to participate in the study.

All information provided by you will be used solely for research and every effort will be made to protect the anonymity of all research participants. Participants may withdraw from this study at any point without penalty. Thank you in advance for your participation. I look forward to the possibility of working with you.

Sincerely yours,

Leslie H. Barnette

828-446-0134

Vita

Leslie Honeycutt Barnette is a native of Catawba County, North Carolina. Having grown up and lived in the Springs Road area for most of her life. She is the youngest of four children born to Guy Paul Honeycutt and Pauline Houston Honeycutt. As a child, she attended St. Stephens Lutheran School in Hickory. She graduated from St. Stephens High School in 1970. She first entered Lenoir-Rhyne University in the fall of 1970 and later worked as a teacher assistant for two years before graduating from Lenoir-Rhyne in December 1977 with an AB in Elementary Education.

She began her teaching career in 1978 teaching third grade at South Newton Elementary School in Newton, North Carolina, where she was chosen the Newton-Conover City Schools' Teacher of the Year in 1980.

Following a 13-year career in the classroom, Leslie was named the Assistant Principal at Granite Falls Elementary School in Granite Falls, North Carolina in 1990. In 1992 she became the Assistant Principal at Clyde Campbell and Webb A. Murray Elementary Schools in Catawba County. She was named Principal of Oxford Elementary School in Claremont, North Carolina in May 1993, where she served for 7 years. In 2001, she was named the first Principal of the newly-opened Lyle Creek Elementary School in Conover, North Carolina, where she was recognized as the Administrator of the Year in 1997 and as the Wachovia Principal of the Year in 2004. In 2009, Leslie went on to become the Director of Elementary Education for Catawba County Schools, where she currently serves as the district's Director of Federal Programs.

Along the way, Leslie earned a Master's Degree in Elementary Education from Lenoir-Rhyne University in 1988, a Principal's certification from the University of North Carolina at Charlotte, and an Educational Specialist's Degree from Appalachian State in 1998. She earned her Doctorate in Education from Appalachian State University in December 2016.

Leslie was married to the late Douglas C. Barnette and is the mother of two children, Jason Honeycutt of Hickory and Ashley Barnette, deceased. She is a member of the Church of Jesus Christ of Latter-day Saints and serves as Relief Society Secretary in the Newton-Conover Ward. She resides in Conover.