



Report: Illinois spends \$518 per student on administrative costs, second highest in country

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The more than 850 school districts in Illinois together shelled out more than \$1 billion on administrative costs in fiscal year 2014, one of the highest levels of any state in the union, the Chicago-based Metropolitan Planning Council reported this month.

The finding suggests to some education reformers that the funds now going to top-heavy school districts would be better directed into the classroom, especially if the administration of the districts could be streamlined through consolidation or reorganization.

Illinois school districts spend on average \$518 per student for general administrative purposes, the second highest average in the nation, according to the planning council, an independent, nonpartisan organization. The figures are based on Census Bureau data.

And more than 200 Illinois districts serve just a single school, the study found, suggesting that the state can reap rewards from merging districts to reduce the administrative girth and perhaps cut pension outlays in the future as a side benefit.

“It seems intuitive that bigger districts would be more efficient than smaller, able to achieve economies of scale with fewer administrators per student,” Neal McCluskey, the director of the Washington-based Cato Institute’s Center for Educational Freedom, said in an email to Illinois News Network.

The Metropolitan Planning Council research found that by cutting school administrative spending to the national average, \$210 per pupil annually, the districts could save \$460 million per year.

But McCluskey said such savings projections can be elusive, since larger districts can become more bureaucratic than smaller ones and more distant from local taxpayers.

He pointed to one study done by the Mackinac Center for Public Policy in Michigan that found the most efficient school district size would be 2,900 students. By contrast, the average Illinois school district has below 2,400 students.

“Based on the model developed for this paper, the most cost-effective size for school districts in Michigan is roughly 2,900 students,” the Mackinac Center study found. “Both smaller and larger districts are likely to spend more per pupil, other things being equal.”

A report by the Illinois School Funding Reform Commission in February also found fault with the overall school district structure in Illinois.

“The sheer number of school districts in Illinois makes for system inefficiencies and contributes to the inequity within the state,” the commission said. “Existing consolidation incentives and initiatives have been underfunded and have often focused on rural school districts rather than consolidating dual school districts into single-unit districts.”

Any top-down effort to consolidate and streamline school districts, however, would likely face some resistance. The Illinois Association of School Boards (IASB) favors district reorganization or consolidation efforts only when they’re intended to improve educational performance, rather than being based only on enrollment numbers or geography.

“Further, the IASB shall oppose any future attempts by the legislature, governor and/or State Board of Education to mandate, by statute or rules and regulations, the reorganization and consolidation of school districts,” an association statement emailed to Illinois News Network said. “Reorganization and consolidation studies should be initiated by local citizens.”

James Russell, associate executive director of the association, said efforts to consolidate school districts based solely on a quest for efficiencies of scale would not make sense. That’s because districts have differing tax bases, demographics, transportation issues and salary schedules.

“It’s complicated, and it should be complicated because it’s a serious and important decision to make,” Russell said.

He also emphasized that the current process of consolidating or reorganizing districts involves a detailed process of building a case for it at the community level.

“We think it’s best that you leave that decision to local school boards and local taxpayers,” Russell said.

The association also opposes the creation of financial incentives for consolidation based only on a desired school district size or “organization pattern.”

Still, according to Illinois State Board of Education statistics, the districts have been plugging away at the consolidation process for decades. In 1983, the state had 1,008 school districts, but through a small but steady number of successful consolidations and reorganizations, that number dropped to 853 by 2016.

And the Board of Education does grant school districts funding to carry out feasibility studies for school district consolidations, Jackie Matthews, a board spokeswoman, told Illinois News Network, but that’s done on a first-come, first-served basis.

Under the current system, consolidation efforts can be spearheaded by grass-roots citizen efforts or through the initiatives of school boards. Ultimately, to be successful, consolidations must be approved by a majority of the affected voters.

Opponents of past school district consolidation efforts have argued that funds saved by eliminating top administrator positions through unification efforts will be offset by the increased funding needed to equalize teacher salaries and possible expansion of existing administration buildings in resized districts.

But supporters of consolidation point to studies such as one released by University of Chicago and Harvard University researchers in 2008 that found combining school districts can reduce dropout rates, boost student attendance and increase overall student earnings when they reach the workforce.