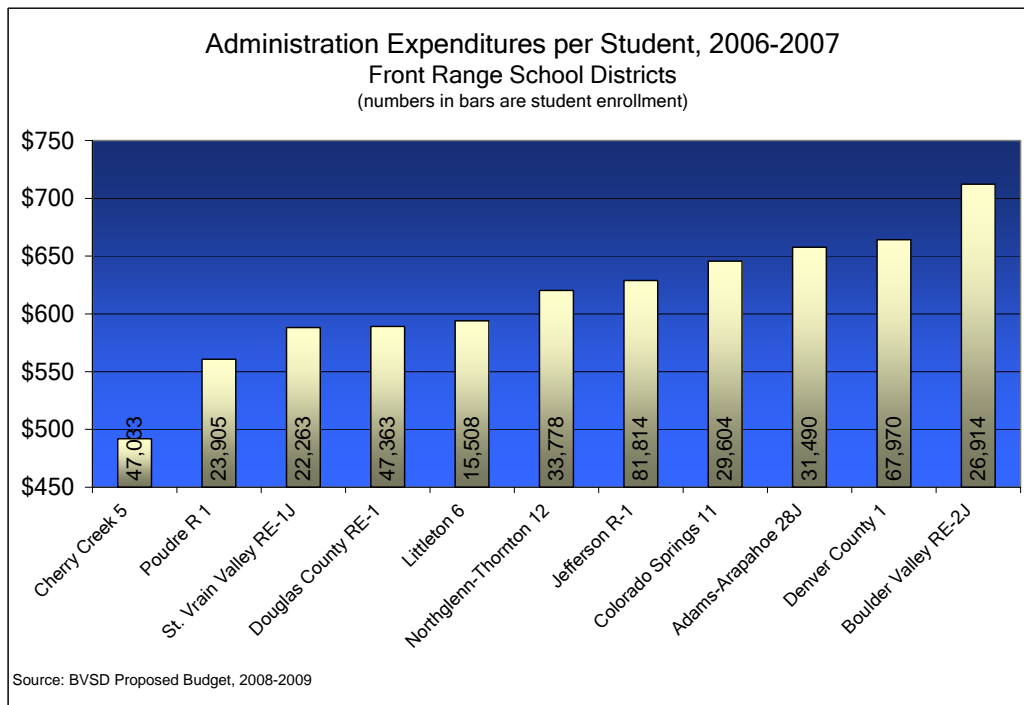




Petition Information Series Installment 1 - BVSD and Economies of Scale

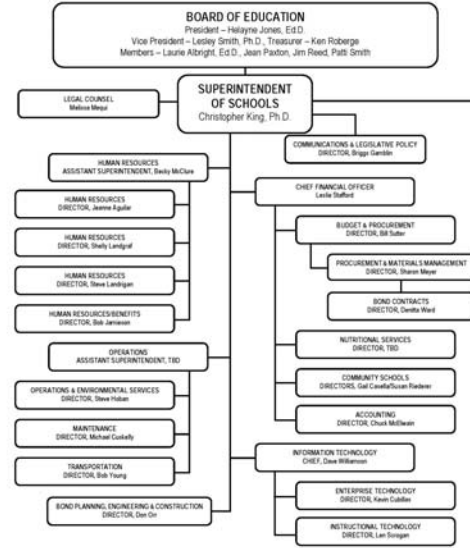
We've been receiving inquiries about how dividing our school district would affect administration costs, and school district administration and board members have suggested that we would lose economies of scale by moving to two smaller school districts. So let's tackle this issue. It's impossible to predict exactly what the administrative structures of the two districts will be, but we can look at BVSD's current admin structure and expenditures and compare them to other school districts, both large and small.

Take a look at this graph, <http://www.bvsdcape.org/Docs/AdminperStudent.pdf>, prepared from the most recent BVSD budget document:



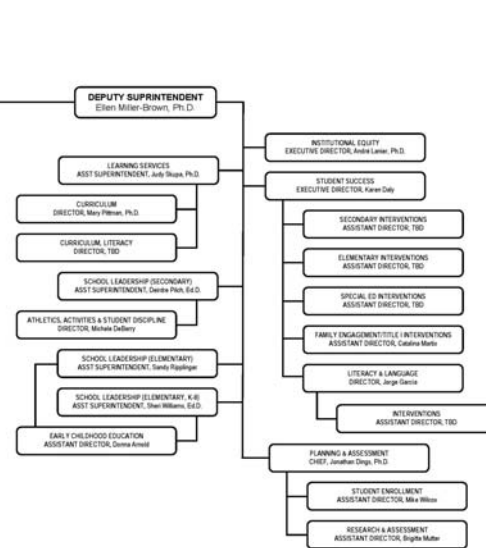
It compares our school district with others along the Front Range in terms of administration expenditures per student. BVSD has the highest admin cost per student of any of the other districts. It's higher than the larger districts and higher than the smaller districts. The figure shows that administration expenditures are poorly correlated with district size. And, the fact that both Cherry Creek and Douglas County students perform as well as, or better than, those in BVSD, demonstrates that admin costs are also not well correlated with student achievement. Why does BVSD have such high admin costs? The most recent BVSD organization chart, reflecting the recent reorganization, gives us a clue:
(enlarged at <http://www.bvsdcape.org/Docs/OrgChartfrom2008-09ProposedBudget.pdf>)

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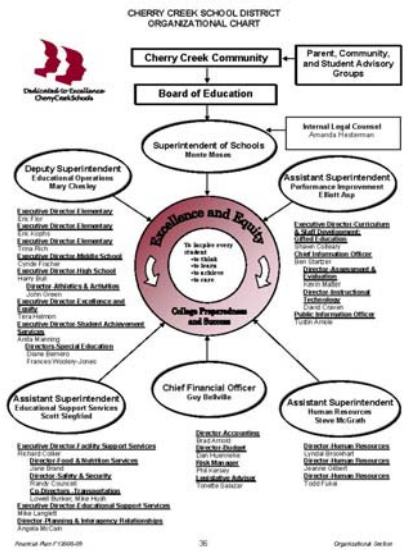
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BVSD's org chart shows 42 high level administrators. Cherry Creek has almost twice as many students as BVSD (50,631 vs. 28,696), but its bureaucracy is apparently much more efficient. Its org chart shows 35 high level administrators:

<http://www.bvsdcape.org/Docs/CherryCreekOrgChart.pdf>



Besides student enrollment, what other difference is there between BVSD and Cherry Creek that might explain the administration cost differences? At 108 square miles, Cherry Creek's service area is only 20% of BVSD's. Cherry Creek serves 7 relatively homogeneous communities; BVSD serves 11 very diverse communities. Perhaps, if the district is compact enough, economies of scale can be achieved. But because of the huge geographical area served by BVSD, we are seeing penalties of scale rather than economies of scale.

In 2006, an organization that ranks school districts nationwide put together a list of the top 25 school districts with enrollments under 50,000. Most of the 25 top districts are small school districts with fewer than 12,000 students. The average size is about 9,000 students. Many of the top districts are in college communities like ours and, though it is difficult to determine exactly, most of these small districts have just a handful of administrators. The 25 top districts and some descriptive data about them are provided in this file:
<http://www.bvsdcape.org/Docs/TopDistricts.pdf> .

When people ask you if administration costs are going to increase with two small districts instead of one large one, show them these charts and figures. School district administrations can be much smaller than BVSD's and still be very effective. With smaller, more local districts we can demand smaller administrations. With smaller, local districts we can redirect the savings to the classrooms.

Why aren't there more large districts (as large as BVSD) in the top 25? Why do smaller districts tend to perform better? Stay tuned for the next installment.