SPENDING OUTSIDE OF THE CLASSROOM:

An analysis of support services costs in Milwaukee County's suburban school districts

Public Policy Forum
moving the region forward

ABOUT THE PUBLIC POLICY FORUM

Milwaukee-based Public Policy Forum – which was established in 1913 as a local government watchdog – is a nonpartisan, nonprofit organization dedicated to enhancing the effectiveness of government and the development of southeastern Wisconsin through objective research of regional public policy issues.

PREFACE AND ACKNOWLEDGMENTS

This report was undertaken to provide policymakers, education leaders and citizens in the Milwaukee region with information on non-instructional expenditure levels in Milwaukee County's suburban school districts and the potential for shared services in non-instructional areas. We hope that elected school board members, administrators and community leaders will use the report's findings to inform discussions during upcoming policy debates, budget deliberations, and civic gatherings regarding K-12 education in our region.

Report authors would like to thank the several school district business managers and superintendents with whom we consulted to gather budget data on non-instructional spending, as well as to glean insights regarding existing and prospective shared services possibilities.

Finally, we wish to thank the Helen Bader Foundation for its grant to the Forum for local government and school district shared services research that made this report possible.

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March 2012

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EXECUTIVE SUMMARY

With support from the Helen Bader Foundation, the Public Policy Forum has launched a project aimed at encouraging local government leaders in Milwaukee County to explore potential opportunities for shared services and consolidation. Our activities include facilitation of the Intergovernmental Cooperation Council's Shared Services and Cooperation Work Group, and formal studies of shared or consolidated fire and dispatch services in the southern part of the county.

In this report, we set the stage for discussion of service sharing in Milwaukee County's suburban school districts. Our specific focus is the dollars those districts are spending on out-of-classroom services, including administrative, "back office" functions (e.g. payroll, accounting, information technology); administration of ongoing operations and school buildings; non-instructional pupil services, such as social work and guidance; and instructional staff services, such as curriculum development and staff training.

The report collects and synthesizes data from the Wisconsin Department of Public Instruction to show the amount of money being spent by each district on support services, and how each district compares to peers from inside and outside Milwaukee County. After considering this picture, we briefly explore the types of non-instructional service sharing already occurring in Milwaukee County's suburban districts, and offer insights into where additional exploration may be merited.

Key findings from our analysis of out-of-classroom expenditures in Milwaukee County's suburban school districts:

- Milwaukee County suburban school districts tend to spend more on support services per pupil than their peers from across the state. This finding is particularly perceptible for the smaller and wealthier school districts in the county.

- Fourteen of the 17 Milwaukee County suburban districts are at or above their peer medians in support services expenditures when measured as a percentage of total expenditures. Consequently, support services expenditures constitute a greater proportion of these districts' budgets and require a greater share of district revenues.

- There is considerable variation within Milwaukee County in support services expenditures per pupil, ranging from $3,220 at Oak Creek-Franklin to $7,035 at Nicolet, and from 29% of total expenditures at Cudahy to 39% at Nicolet and Fox Point-Bayside. Nicolet and its small feeder districts, among the wealthiest districts in terms of property values, generally have the highest expenditure totals per pupil, while the largest districts (Oak Creek-Franklin, West Allis, and Wauwatosa) are among the lowest.

- Many Milwaukee County suburban districts are cooperating with neighboring school districts in providing administrative and other services. Nevertheless, we identify three areas of shared services saving opportunities that may hold promise for additional cost savings: cooperative health insurance purchasing, back-office operations, and regional networking.

Like local governments, school districts face increased pressure to identify operational cost savings because of recent budget actions in Madison, yet they also face strong demands from parents and business leaders to achieve educational excellence. While enhanced service sharing clearly will not be the panacea for the fiscal challenges facing school districts in suburban Milwaukee County, we find that the relatively small size and similar operational characteristics of many of these districts, as well as their comparably high levels of non-instructional spending, heightens the potential that shared services could produce cost-saving opportunities.

Should state and local officials wish to pursue large savings, exploration of full consolidation of smaller districts might be a more logical approach. In light of the political obstacles that likely would cloud such pursuit, however, as well as the potential for meaningful efficiencies from functional sharing and consolidation, we find that further exploration of shared services opportunities for non-instructional areas of operation in suburban Milwaukee County would be worthwhile and should be pursued.

INTRODUCTION

The financial challenges facing southeast Wisconsin's public school districts have been well-documented and passionately debated at the state and local level. Spurred at first by the onset of the national recession that caused real estate values to plummet and severely impacted school property tax levies, those challenges and the debates surrounding them intensified after last year's budget-balancing efforts in Madison.

Indeed, the adoption of the state budget repair bill and the 2011-13 state budget brought far-reaching changes to the financing and management of public education. State aid to public schools was reduced by $800 million and revenue limits were decreased by 5.5%, thus curtailing the ability of school boards to raise taxes to compensate for the diminished state aid. To help offset these impacts, the budget repair bill provided for increased employee pension contributions, and eliminated the requirement that school officials collectively bargain a wide range of compensation and workplace issues, including health care benefits and plan design.

Whether the potential fiscal benefits generated by the budget repair bill will fully offset the fiscal impacts of state budget cuts and levy limits will be heatedly debated in the years to come and will differ by individual school district. What is clear, however, is that there will continue to be strong pressure throughout the state to reduce the cost of public education, while at the same time avoiding a reduction in the capacity of Wisconsin's public schools to teach the knowledge and skills demanded by the 21st century economy.

The potential disconnect between resource challenges and high academic expectations has prompted the Public Policy Forum, in this report, to explore the range of out-of-classroom costs in Milwaukee County's suburban school districts.[1] The report focuses on support services that may offer opportunities for cost savings if shared among more than one school district, or between a school district and a municipality. Because the potential for generating shared services savings will depend, in part, upon the nature and size of each district's current out-of-classroom operations, the report's primary focus is an analysis of each district's support services expenditures, and a comparison of those expenditures with those of peer districts throughout the state.

Each school district, of course, will need to decide for itself its desired type and level of out-of-classroom expenditures. Such decisions will reflect the characteristics of a district's school enrollment, as well as the community's educational goals and ambitions. No simple formula exists to say how much money a district should spend on these operations.

Yet, districts should anticipate that they will need to make an extra effort to justify such decisions. The new public reality is that out-of-classroom costs have shifted from being purely an internal administrative matter to one of increasing public policy interest. This report is both a response to that new reality and an effort to assist districts in meeting changing expectations.

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[1] The report excludes the City of Milwaukee because the size and complexity of the Milwaukee Public Schools limit that district's comparability with other local districts. The Forum is undertaking a separate study of MPS finances that will be released later this year.

METHODOLOGY

The information in this report is drawn from a variety of secondary and primary sources including academic studies, reports from state governments, reports from educational associations and non-profit organizations, national and state databases, and conversations with school district officials.

Financial data displayed in various tables are taken from school district annual reports available on the Wisconsin Department of Public Instruction's (DPI) website. Demographic and enrollment data are from DPI's Wisconsin Information Network for Successful Schools (WINSS). Property value, mill rate, major revenues, and educational cost data are from WINSS and DPI's School Fiscal Data Warehouse.

The analysis examines the general and special project-funded operations for "support services," the locus of out-of-classroom expenditures as characterized by DPI. We focus on six support services categories that pertain to non-instructional operational activity and consume the vast proportion of support services expenditures: pupil services, instructional staff services, general administration, school building administration, business administration, and central services. The analysis excludes debt service and capital costs, early retirement costs, trust and agency funds, and food and community service funds. It also subtracts insurance and judgments, and other miscellaneous expenditures. **Appendix B** on page 43 contains definitions of all the terms used in this report.

The report also employs peer analysis from outside of Milwaukee County, largely because of substantive differences in the characteristics and fiscal profile of the Milwaukee County districts. Under the peer analysis, Milwaukee County districts are placed by enrollment size into one of five statewide peer groups that vary from 20 to 44 districts each. The state's rural districts, often quite distinctive in their operations, are not included in the analysis.

DPI reports generally track student enrollment by "membership," which is defined as the students enrolled in a district who also reside there; and by total enrollment, including those who live outside the district. For reasons explained below, this report looks at both resident enrollment and total enrollment and uses each to calculate per-pupil expenditures. In the body of the report, per-pupil expenditures for support services are based on total enrollment. An appendix presents this same information based on resident enrollment/membership. In both cases, the per-pupil figure uses full-time equivalency (FTE) rather than a headcount of students. To convert headcount to FTE, pre-Kindergarten special education students are counted as 0.5 FTE, while K4 students are either counted as 0.5 or 0.6 FTE, depending on the total hours of instruction. Students in K5 and grades 1-12 are counted as one FTE. Additional information about the procedures followed in the analyses is discussed in relevant sections of the report.

BACKGROUND: SHARED SERVICES AND OUT-OF-CLASSROOM SAVINGS

Shared services involve governmental units coming together to cooperate and coordinate in various forms of operations. Such activity often is budgetary in its origins and is intended to stretch tax dollars and avoid painful program and service cutbacks, though shared services initiatives also can be prompted by the impulse to improve service quality. School districts can share services, both inside and outside the classroom, with other school districts, local municipalities, and state agencies.

Within the classroom, school districts may cooperate in response to curricular, enrollment, or resource requirements and needs. For instance, two districts may jointly hire a foreign language teacher in a language for which enrollment does not justify a full-time position for each district. Or, in a program area such as special education, two or more districts may cooperate by having one district specialize in serving all students that have a specific need or disability, such as a visual or hearing impairment.

Outside the classroom, school districts often cooperate to maintain or improve cost efficiency and service in operational areas that include: pupil transportation; joint position appointments; joint purchase of textbooks and other supplies; joint contracts for professional services such as banking and insurance; the purchase and management of technological services; and equipment sharing.

Shared services can reduce school district costs in varied ways. Most commonly, dollars are saved through economies of scale, whereby costs are spread across a broader fiscal base. Such savings result, for example, from joint purchase agreements where larger orders secure price discounts, or from vehicle and equipment sharing where joint use increases productivity and lowers operating costs. Savings also are achieved when districts join together to purchase the services of highly qualified consultants whose advice and technical assistance can produce savings on financial and legal contracts. Finally, inter-district cooperation can promote cost effectiveness by allowing districts to share positions or combine units to ensure that staff is engaged in work that is commensurate with their salary and level of responsibility.

The State Context

According to the National Center of Educational Statistics, Wisconsin spent \$2.7 billion in 2009 on support services expenditures for elementary/secondary education, ranking it 14th in the country. The state ranked similarly in instructional expenditures for elementary and secondary education, with the 16th highest total. Overall, Wisconsin's \$7.9 billion in total elementary/secondary expenditures placed it 15th among the states.

Wisconsin has an array of policies and structures designed to encourage and enhance efficiency in school operations. For example, the state's school funding formula extends incentives for school district consolidation through special adjustment aid, in recognition of the fact that the median-size school district in the state had an enrollment of less than 1,000 students in 2009-10.

Wisconsin also has established a statewide regional network to promote school collaboration. Created in 1963 and modified in 1984, Wisconsin's 12 Cooperative Educational Service Agencies (CESAs) offer services such as special education, technology support, school improvement, and professional development to multiple school districts in specified geographic areas. The rationale was that some local districts found it difficult, if not impossible, to provide some programs and services acting on their own. Working with a cooperative agency, districts could have access to a greater range of programs and personnel at a reasonable cost. CESAs are governed by 11-member boards composed of local school board members.

The school districts in Milwaukee County are members of CESA #1, which serves 45 school districts in southeastern Wisconsin offering "consulting services, direct student instruction services, educator professional development, as well as training for Wisconsin certification." CESAs work with school districts via contractual arrangements which, according to the agency's web site, offer a valuable service to districts experiencing budgetary difficulties:

> *"Some districts have been forced to reduce key positions or have added additional responsibilities to positions that are already over-burdened. CESA #1 helps by providing consulting services on an as-needed basis. Districts can purchase only the time they need without added hiring and management responsibilities, they can add additional time if it becomes necessary, and costs are shared among participating districts."*[2]

To encourage and facilitate the sharing of services, Section 66.03.01 of the Wisconsin Statutes provides a legal and administrative framework for local government cooperation. The structure of the agreement is straightforward. The participating districts must identify the school acting as the operator and/or fiscal agent, approve a budget, and follow a few fiscal and record-keeping procedures. DPI reports that many of the existing 66.03.01 agreements are for special education programs.

Shared Services Initiatives in Other States

In the past decade or so, there has been an outpouring of academic studies and state reports, as well as state initiatives, regarding the coordination of school district services. The drive behind these initiatives is often discontent with local government structure, particularly in states where large numbers of self-governed taxing districts are seen as producing "redundancy and inefficiency, which are major contributing factors to high property taxes."[3]

Historically, many states have addressed concerns about cost efficiency in public education by promoting school district consolidation. In fact, in recent years, Vermont, Maine, Arkansas, and Indiana have sought to eliminate or restructure school districts below a certain size. Other states have focused on shared services, with a particular emphasis on reducing out-of-classroom costs.

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[2] CESA #1, website, http://www.cesa1.k12.wi.us

[3] 2006 New Jersey Special Session, Joint Legislative Committee, *Government Consolidation and Shared Services, Final Report*, p. 1.

A paper by the Education Commission of the States describes more than 30 different state laws and policies on school district shared services enacted from 2001 to 2011.[4] Some provide authorization for school districts to enter into joint contracts for health insurance, or for school districts and local municipalities to jointly own and lease property. Several states also have created regional cooperative school districts or expanded the responsibility and role of existing regional agencies for shared services.

The promise of cost savings is a common theme of recent studies. Examples of research findings focused on cost savings include:

- A 2010 meta-analysis by Ohio Smart Schools entitled *Towards a New Model of Educational Governance for Ohio, Regional Cooperation to Align Education Services* found "consensus among the state reports that sharing service had the potential to deliver significant savings at the district level."[5]

- In Michigan, a study of 10 counties estimated that greater service coordination could result in savings of 18% in transportation services and 8% in general operations.[6]

- A multi-year effort by Pennsylvania's Department of Education, *the Common Cents Shared Service Initiative*, concluded that many school districts had the potential to obtain substantial cost savings through greater administrative cooperation.[7]

- In New York, a state commission on 21st Century Local Government recommended in 2008 the establishment of "local school restructuring committees to examine service sharing and consolidation" and "facilitating consolidation of back office services."[8]

- New York's Nassau County School and Municipal Savings Initiative, a project among county government, the regional educational services agency, and 56 county school districts, found that potential savings of $5 million could be achieved by reconfiguring five back office services: information, technology and telecommunications; cooperative purchasing; audit services; debt issuance; and legal services.[9]

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4 Education Commission of the States, Recent State Policies/Activities, School/District Structure/Operations—Shared Services, 2012. http://www.ecs.org/ecs/ecscat.nsf/WebTopicView?OpenView&count=-1&RestrictToCategory=School/District+Structure/Operations--Shared+Services

5 Ohio Smart Schools, *Towards A New Model of Educational Governance for Ohio, Regional Cooperation To Align Educational Services*, 2010, p. 5. http://knowledgeworks.org/worldoflearning/ohio-smart-schools-towards-a-new-model/

6 Ibid. p. 4.

7 Pennsylvania Department of Education, *Commonwealth of Pennsylvania Department of Education, Common Cents Shared Services Initiative, School District Report: Pittsburgh*, 2008, pp. 7-9.

8 Office of the New York State Comptroller, Division of Local Government and School Accountability, *Research Brief: Shared Services Among New York's Local Governments*, November 2009, p. 1. http://www.osc.state.ny.us/localgov/pubs/research/sharedservices.pdf..

9 Ibid. p. 9.

- Finally, a 2011 report, *Benchmarking Ohio's School Districts: Identifying districts that get more for their money in non-instructional spending*, found that local districts in the state might save as much as $1.4 billion annually in state and local dollars by benchmarking to best practice districts' non-instructional spending levels. Ohio is a state where out-of-classroom spending is high, and these savings figures should be read with that in mind. What also makes this study of interest, however, is the application of 34 quality indicators that are used to prescribe standards for spending in non-instructional areas.[10]

[10] Ohio Smart Schools, *Benchmarking Ohio's School Districts: Identifying districts that get more for their money in non-instructional spending*, 2011 http://www.ohiosmartschools.org/

MILWAUKEE COUNTY SUBURBAN SCHOOL DISTRICTS: PROFILE

In 2009-10, Milwaukee County's suburban school districts enrolled 51,000 students. This total represents more than half the enrollment of Milwaukee Public Schools (80,000), and more than twice the enrollment of Madison (24,500), the second-largest district in Wisconsin. The quality of education in these districts directly affects the productivity and vibrancy of the regional and state workforce, and they constitute a valuable educational and economic asset when examined in this context.

Most of these districts' ACT and AP test results beat the state average, as do their graduation and proficiency rates.[11] Such outcomes, in part, reflect the fact that local and state residents have made a substantial investment to build and sustain the educational infrastructure in suburban Milwaukee County. In 2009-10, the suburban Milwaukee County school districts received more than one-half billion dollars from local and state taxes ($334 million in local taxes and $195 million in state funds).

Boundaries and Administrative Structure

Excluding the City of Milwaukee, Milwaukee County has 17 school districts and 18 municipalities. Seven of the districts are coterminous, or nearly so, with local municipal boundaries: Brown Deer, Cudahy, Greendale, Shorewood, South Milwaukee, Wauwatosa, and Whitefish Bay. Other districts combine or cut across municipalities; even though a district may have the same name as a city or town, their borders may differ. For instance, residents of the City of Greenfield are served not only by the Greenfield School District, but also by the Whitnall and West Allis school districts. Another example is the City of Franklin, where residents are served by the Franklin Public, Oak Creek-Franklin and Whitnall school districts.

How district boundaries are established can have implications for shared services. Where districts are coterminous, school district and municipal revenues come from the "same pocket" or tax base, and disputes are less likely to arise over whether there are unequal costs and benefits from a shared service. On the other hand, at least in theory, non-coterminous school districts may have greater flexibility to share services with another school district since district residents should not have any expectation that a service provider has a particular community affiliation.

Most Milwaukee County school districts are organized around a few elementary schools, a middle school and a high school. Only the West Allis (which includes the City of West Milwaukee) and Wauwatosa districts have more than one high school, while four districts have two or more middle schools. The exception to this organizational pattern lies in the northeast part of the county, where Nicolet Union High School constitutes a single district, as do the three "feeder" districts that send students to Nicolet – Fox Point-Bayside, Maple Dale-Indian Hill, and Glendale-River Hills – each of which has a single middle and elementary school. In reviewing the data tables on the following pages, readers should keep in mind that the Nicolet School

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[11] Public Policy Forum, *Public Schooling in Southeast Wisconsin 2010-11*, http://www.publicpolicyforum.org/pdfs/2011SchoolingReport.pdf

District encompasses only students in grades nine through 12, while the three feeder districts encompass students in grades Kindergarten through eighth.

Administratively, most districts feature a core leadership staff composed of a superintendent and heads of curriculum and/or pupil services, building and grounds, and business services. Larger districts also may employ directors of human resources and personnel, technology, and communications. At the smallest district, Maple Dale-Indian Hill, the superintendent is also the middle school principal, while the elementary principal is head of curriculum and instruction.

The number and type of personnel housed in each district office varies. Larger districts often have instructional and support staff assigned to the central office, while at smaller districts such staff may be school-based. For example, central staff for the Wauwatosa district – one of the county's largest –includes a Spanish teacher, three Montessori teachers, a gifted and talented program coordinator, and a nurse.

Enrollment

Enrollment size and composition have a direct impact upon fiscal capacity and flexibility, as well as upon the out-of-classroom services a district requires. As shown in **Table 1**, Milwaukee County contains some of the largest districts in the state, as well as several low-enrollment districts.

Table 1: Suburban Milwaukee County School Districts: Student Enrollment, 2009-10

District	Resident enrollment (FTE)	State rank*	Total enrollment (FTE)	State rank*
West Allis	8,111	13	8,499	12
Wauwatosa	6,062	22	6,958	17
Oak Creek-Franklin	5,942	23	6,018	23
Franklin Public	3,883	45	4,182	41
South Milwaukee	3,134	61	3,309	57
Greenfield	2,948	68	3,361	55
Whitefish Bay	2,601	81	2,893	71
Cudahy	2,527	86	2,585	81
Whitnall	2,193	97	2,328	94
Greendale	2,186	98	2,597	79
Shorewood	1,625	128	1,898	108
Brown Deer	1,580	131	1,735	120
Nicolet UHS (9-12)	1,098	189	1,184	172
Glendale-River Hills (K-8)	926	218	966	209
St. Francis	899	T224	1,263	163
Fox Point (K-8)	762	T252	883	223
Maple Dale-Indian Hill (K-8)	427	354	481	327
Total	**46,904**		**51,139**	

* From largest to smallest districts of 425 districts, statewide

Source: State of Wisconsin, Department of Public Instruction

Table 1 shows enrollment counts both by resident enrollment (otherwise known as "membership") and total enrollment, which also includes students who live outside the district. Total enrollment can appreciably exceed resident enrollment because of the number of students who participate in the state-funded Open Enrollment and Chapter 220 programs.[12] Many students participating in those programs in Milwaukee County reside in the City of Milwaukee and attend suburban schools. In 2011, 3,629 students participated in Open Enrollment and 1,638 students participated in the Chapter 220 program in Milwaukee County suburban districts.

As shown in **Table 2**, there is considerable racial diversity among Milwaukee County's suburban school districts. The enrollment of many school districts differs from the demographic make-up of the local communities in which they are situated due to the impact of the Open Enrollment and Chapter 220 programs. For example, Wauwatosa has 17.9% African-American enrollment, even though only 4.5% of the city's residents are African-American.

Table 2: Suburban Milwaukee County School Districts: Enrollment by Race/Ethnicity, 2009-10

District	Asian	African-American	Hispanic	American Indian	White
Brown Deer	9.6%	46.8%	4.2%	0.6%	38.8%
Cudahy	1.9%	6.7%	17.0%	1.4%	72.9%
Fox Point (K-8)	6.4%	11.1%	2.0%	0.4%	80.1%
Franklin Public	9.8%	4.7%	5.9%	0.6%	79.0%
Glendale-River Hills (K-8)	5.1%	27.4%	5.7%	0.9%	60.9%
Greendale	4.9%	2.8%	6.9%	0.8%	84.7%
Greenfield	7.5%	5.8%	14.7%	2.2%	69.8%
Maple Dale-Indian Hill (K-8)	9.2%	14.6%	3.8%	0.6%	71.8%
Nicolet (9-12)	5.2%	22.0%	3.9%	0.8%	68.2%
Oak Creek-Franklin	6.0%	5.7%	10.9%	1.1%	76.3%
Saint Francis	4.3%	5.6%	15.0%	0.8%	73.9%
Shorewood	7.3%	14.5%	4.1%	1.2%	73.3%
South Milwaukee	1.9%	4.5%	11.6%	0.8%	80.8%
Wauwatosa	5.0%	17.9%	4.3%	0.7%	72.0%
West Allis	3.2%	9.0%	16.4%	1.8%	69.6%
Whitefish Bay	6.5%	10.9%	3.1%	0.3%	79.2%
Whitnall	4.5%	3.4%	5.7%	1.4%	85.0%

Source: State of Wisconsin, Department of Public Instruction

Not all students require the same amount of district resources. Economically disadvantaged students, students with disabilities, and students with limited English proficiency, for example,

[12] Open Enrollment allows students across the state to attend districts outside their district of residency, if space is available in the non-resident district. Chapter 220 is the Milwaukee-area's voluntary integration program, which allows minority students residing in Milwaukee to attend schools in suburban districts and white suburban students to attend MPS. It is important to note that the state considers students enrolled under the Open Enrollment and Chapter 220 programs differently from resident students in calculating state aid. The difference is greatest for Open Enrollment students, for whom state aid is based on the average statewide per-pupil cost in several expenditure categories, not including administrative expenditures. In contrast, the Chapter 220 program aids districts under a formula that includes most operational costs associated with each student, including administrative expenses and debt service.

may require in-classroom and out-of-classroom assistance that incurs additional cost. Those students are served by targeted programs – such as subsidized breakfast and lunch programs, English as a second language, and special education – as well as out-of-classroom guidance counselors, social workers, psychologists, and other licensed professionals.

Table 3 shows that these categories of students are not uniformly distributed across the county's suburban school districts. This information reveals that some districts have a much larger proportion of their total student body that may require special classroom and out-of-classroom assistance, and may consequently face additional cost pressures.

Table 3: Suburban Milwaukee County School Districts: Select Enrollment Characteristics, 2009-10*

District	Economically disadvantaged students	Students with disabilities	Limited-English proficiency students
Brown Deer	31.6%	13.5%	8.5%
Cudahy	45.9%	17.0%	6.9%
Fox Point (K-8)	8.1%	10.6%	1.8%
Franklin Public	11.4%	9.9%	5.2%
Glendale-River Hills (K-8)	21.8%	13.5%	4.5%
Greendale	18.8%	10.7%	4.6%
Greenfield	32.9%	12.9%	6.5%
Maple Dale-Indian Hill (K-8)	12.0%	13.6%	4.2%
Nicolet (9-12)	11.7%	13.2%	1.0%
Oak Creek-Franklin	18.9%	10.0%	7.1%
Saint Francis	33.3%	11.2%	9.8%
Shorewood	15.4%	12.8%	7.4%
South Milwaukee	37.3%	12.0%	4.2%
Wauwatosa	14.3%	11.3%	2.8%
West Allis	48.4%	13.7%	4.2%
Whitefish Bay**	0.2%	7.8%	2.3%
Whitnall	15.5%	15.3%	3.1%

Source: State of Wisconsin, Department of Public Instruction
** See **Appendix B** for definition of student categories*
*** The Whitefish Bay School District does not have a school lunch program, and therefore does not collect free or reduced lunch program data.*

The enrollment trajectory of a school district also can provide valuable insight into its fiscal circumstances. Each district's revenue limit is based on a three-year rolling average of district membership enrollment. Equalization, Open Enrollment and Chapter 220 aids are based on annual enrollment. In general, in all three types of aid, a district with falling enrollment will see its state funding decline, while a district with rising enrollment will receive more financial assistance. In short, it is better to have a positive rather than a negative enrollment trend, and districts with declining enrollments for more than three years must inevitably consider budget reductions.

Table 4 shows that enrollment in the suburban Milwaukee County school districts remained essentially flat during the past decade, with more districts losing than gaining enrollment. On a percentage basis, some districts had dramatic enrollment declines. Enrollment in Maple Dale-Indian Hill, for example, declined 22%. A few districts, such as St. Francis, were able to buttress declines in resident enrollment with non-resident enrollment increases. On the other hand, at some districts, such as Shorewood, Nicolet, and Cudahy, non-resident declines exceeded those of resident students.

Table 4: Suburban Milwaukee County School Districts: Enrollment Trends, 2000-01 to 2009-10

	Resident Enrollment (FTE)			Total Enrollment (FTE)		
District	**2000-01**	**2009-10**	**% change**	**2000-01**	**2009-10**	**% change**
Brown Deer	1,516	1,580	4.2%	1,715	1,735	1.2%
Cudahy	2,742	2,527	-7.8%	2,928	2,585	-11.7%
Fox Point (K-8)	683	762	11.6%	843	883	4.6%
Franklin Public	3,537	3,883	9.8%	3,830	4,182	9.2%
Glendale-River Hills (K-8)	979	926	-5.4%	1,074	966	-10.0%
Greendale	2,050	2,186	6.6%	2,158	2,597	20.4%
Greenfield	3,043	2,948	-3.1%	3,153	3,361	6.6%
Maple Dale-Indian Hill (K-8)	546	427	-21.8%	612	481	-21.5%
Nicolet (9-12)	1,199	1,098	-8.4%	1,353	1,184	-12.5%
Oak Creek-Franklin	4,782	5,942	24.3%	4,807	6,018	25.2%
Saint Francis	1,217	899	-26.1%	1,425	1,263	-11.4%
Shorewood	1,817	1,625	-10.6%	2,208	1,898	-14.0%
South Milwaukee	3,278	3,134	-4.4%	3,533	3,309	-6.3%
Wauwatosa	6,211	6,062	-2.4%	6,950	6,958	0.1%
West Allis	8,553	8,111	-5.2%	8761	8,499	-3.0%
Whitefish Bay	2,440	2,601	6.6%	2,779	2,893	4.1%
Whitnall	2,324	2,193	-5.6%	2,491	2,328	-6.5%
Total	**46,917**	**46,904**	**0.0%**	**50,619**	**51,139**	**1.0%**

Source: State of Wisconsin, Department of Public Instruction

Revenues

Property taxes are most school districts' key fiscal resource. State aid in Wisconsin is substantial and is designed to distribute funding so that school districts that spend the same amount per pupil will have a similar tax rate, regardless of their property wealth per pupil. The state does not seek to guarantee all districts will have the same tax rate, but to equalize each district's tax base.

As a result, districts with the greatest property wealth tend to spend the most on their children's education. Milwaukee County's suburban districts differ greatly in property wealth per pupil. Some, such as Nicolet, are among the wealthiest in the state. Others, such as Cudahy and South Milwaukee, rank in the lower half of districts statewide, as shown in **Table 5**.

Table 5: Suburban Milwaukee County School Districts: Property Value and Tax Rate (per $1,000 in property value), 2009-10

District	Property value per pupil	State rank*	Tax rate
Brown Deer	$625,444	166	$12.35
Cudahy	$410,175	326	$10.58
Fox Point (K-8)	$1,412,356	49	$7.61
Franklin Public	$673,747	140	$10.87
Glendale-River Hills (K-8)	$2,023,938	32	$5.62
Greendale	$531,777	220	$11.42
Greenfield	$675,539	139	$10.72
Maple Dale-Indian Hill (K-8)	$2,189,241	25	$6.46
Nicolet UHS (9-12)	$3,593,436	12	$3.98
Oak Creek-Franklin	$623,648	167	$8.63
Shorewood	$779,543	112	$12.02
South Milwaukee	$402,169	339	$10.40
St. Francis	$507,172	236	$9.84
Wauwatosa	$765,235	116	$7.92
West Allis	$578,267	192	$9.31
Whitefish Bay	$703,515	130	$9.90
Whitnall	$730,604	120	$9.57

** Highest to lowest for 425 districts, statewide*
Source: State of Wisconsin, Department of Public Instruction

Tax effort is another factor that determines a district's fiscal capacity. In Milwaukee County, districts with high property value tend to have low tax rates (although an individual homeowner can pay substantial school taxes because of his or her high home value). Otherwise, tax rates are set according to local conditions and expectations. Brown Deer, Shorewood, and Greendale have the highest school district tax rates in the county.

Table 6 shows amounts collected by each suburban Milwaukee County school district for the 2009-10 school year from the three major school revenue sources. Since there is an inverse relationship between property value and state aid, districts with a greater proportion of property tax revenue generally have a lower proportion of state aid, and vice-versa. Thus, Maple Dale-Indian Hill depends almost entirely on local tax dollars and receives comparatively little state aid, while Cudahy and South Milwaukee receive more state aid than local tax revenue.

Table 6: Suburban Milwaukee County School Districts: Major Revenues, 2009-10

District	Property tax revenue	State aid	Federal aid
Brown Deer	$13,397,921	$6,600,694	$2,032,897
Cudahy	$11,219,367	$18,712,561	$2,960,160
Fox Point (K-8)	$9,486,018	$673,649	$798,803
Franklin Public	$30,632,223	$14,845,507	$2,748,341
Glendale-River Hills (K-8)	$10,984,965	$1,203,003	$782,126
Greendale	$15,769,319	$9,745,536	$2,023,841
Greenfield	$24,329,707	$10,161,314	$2,902,281
Maple Dale-Indian Hill (K-8)	$6,801,614	$349,929	$395,203
Nicolet (9-12)	$16,929,323	$1,189,324	$799,914
Oak Creek-Franklin	$32,381,171	$26,611,530	$4,306,171
S. Milwaukee	$13,836,711	$20,971,845	$4,129,073
Shorewood	$17,781,868	$3,348,443	$1,219,531
St. Francis	$6,302,495	$4,330,474	$1,038,447
Wauwatosa	$42,176,834	$19,188,739	$5,197,220
West Allis	$45,776,964	$40,215,774	$11,720,102
Whitefish Bay	$20,148,472	$8,306,071	$1,447,018
Whitnall	$16,283,025	$8,203,291	$1,905,249

Source: State of Wisconsin, Department of Public Instruction

PER-PUPIL CALCULATIONS

This analysis makes frequent use of per-pupil calculations as a tool for comparing expenditure levels for school districts of different scale and size. In performing these calculations, we encountered the need to decide between using membership/resident enrollment (i.e. only those enrolled students who reside in the district), versus total enrollment (i.e. residents plus enrolled non-resident students from the Open Enrollment and Chapter 220 programs).

We use total enrollment for tables and analysis in the body of the report, while also including calculations based on resident enrollment in the appendix. Both per-pupil calculations are presented since no single measure is, without question, the right one to use—DPI uses resident enrollment in calculating per-pupil educational cost, but it can be argued that a district's administrative costs must support all enrolled students, not just resident students. Thus, we have chosen to highlight the total enrollment calculations in the text.

Calculations showing per-pupil support services costs are higher when using resident enrollment, with the median district at $4,087 per resident pupil compared with $3,609 per pupil using total enrollment. The general distribution of per-pupil support costs across Milwaukee County districts is similar under either measure, however, with the small, wealthier districts in the northern part of the county having higher expenditures. Districts that have a large proportion of non-resident students have higher per-pupil support services costs under the membership calculation.

It should be noted that Open Enrollment aid is based on a formula that excludes administrative costs; the aid a district receives per Open Enrollment pupil therefore does not reimburse for any added administrative costs due to the addition of that pupil to the district's total enrollment. The program was not anticipated to cause districts to increase their administrative costs, because each district can determine the number of Open Enrollment slots per grade level each year. However, some districts do, in fact, increase their costs by enrolling significant numbers of non-resident students.

MILWAUKEE COUNTY SUBURBAN SCHOOL DISTRICTS: OUT-OF-CLASSROOM EXPENDITURES

In order to consider the potential for enhancing shared services as a means of reducing out-of-classroom expenditures in Milwaukee County's suburban school districts, it is important to assess the nature and scope of those expenditures. In this report, we use the data and terminology of DPI's fiscal accounting system as the basis for that assessment. DPI requires all public school districts to report financial data on all instructional and support operations. For the purposes of our analysis of out-of-classroom expenditures, we hone in on expenditures classified by DPI as "support services" that are financed by general and special project funds (e.g. local taxes, state funds, and federal monies). Expenditures financed by special purpose, segregated accounts are excluded. We also exclude capital-related expenditures and debt service, miscellaneous expenditures such as early retirement expenditures, and financial transactions.

In short, expenditures for six types of support operations are the focus of our analysis: pupil services, instructional staff services, general administration, school building administration, business administration, and central services. Transportation costs are identified separately because of the amount expended on this function. **Appendix B** on page 43 contains a more precise definition of each category of support operations.

Table 7 shows total expenditures made by the suburban Milwaukee County districts in the 2009-10 school year, broken down by instructional, support services and other expenditures. This breakdown reveals that support services—the topic of this report—comprise about one-third of overall school district spending in most districts.

Table 7: Milwaukee County Suburban School Districts: Major Expenditures, 2009-10

District	Total operations spending*	Instruction	Support services expenditures	Other expenditures**
Brown Deer	$22,841,412	52%	37%	11%
Cudahy	$31,226,446	65%	29%	6%
Fox Point (K-8)	$12,583,094	58%	39%	3%
Franklin Public	$49,338,409	65%	30%	5%
Glendale-River Hills (K-8)	$13,863,645	52%	35%	13%
Greendale	$28,542,462	61%	33%	6%
Greenfield	$36,236,404	58%	32%	10%
Maple Dale-Indian Hill (K-8)	$7,786,118	54%	37%	9%
Nicolet UHS (9-12)	$21,050,026	48%	39%	13%
Oak Creek-Franklin	$60,959,170	62%	32%	6%
Shorewood	$22,222,146	62%	32%	6%
South Milwaukee	$35,912,659	62%	31%	7%
Saint Francis	$14,228,865	60%	33%	6%
Wauwatosa	$76,768,869	63%	31%	6%
West Allis	$97,192,755	57%	30%	13%
Whitefish Bay	$32,556,547	59%	31%	10%
Whitnall	$26,294,812	54%	34%	12%

** Totals in this column are adjusted to account for a transfer from the general fund to the special education fund.*
*** Includes "Insurances and Judgments", "Debt Services" and "Other Support Services"- these are expenditures typically included in DPI's "Support Services" categorization that were removed for this analysis.*

Table 8 presents support services expenditures in total and on a per-pupil basis. Not surprisingly, expenditures range widely from a low of $2.8 million for Maple Dale-Indian Hill, the smallest district, to a high of $29.6 million for West Allis, the largest district. Cudahy, the district at the median for operational support expenditures, spent $9 million in 2009-10.

Of more interest in **Table 8** is the variance in per-pupil support services expenditures. The table shows that the districts with high property values situated in the northeast part of the county – Nicolet, Maple Dale-Indian Hill, Fox Point-Bayside, and Glendale-River Hills – have the highest per-pupil cost; meanwhile, the largest districts – West Allis, Wauwatosa, and Oak Creek-Franklin – fall below the median in per-pupil support services cost.

Table 8: Milwaukee County Suburban School Districts: Support Services Expenditures Per Enrolled Pupil, 2009-10

District	Support services expenditures	Support services expenditures per enrolled pupil
Nicolet (9-12)	$8,329,083	$7,035
Maple Dale-Indian Hill (K-8)	$2,861,527	$5,954
Fox Point (K-8)	$4,905,059	$5,558
Glendale-River Hills (K-8)	$4,879,427	$5,049
Brown Deer	$8,393,966	$4,839
Whitnall	$8,961,971	$3,850
Shorewood	$7,177,258	$3,782
Saint Francis	$4,746,069	$3,759
Greendale	$9,374,693	$3,609
Franklin Public	$14,867,216	$3,555
Cudahy	$9,055,354	$3,503
Whitefish Bay	$10,116,596	$3,497
West Allis	$29,684,403	$3,493
Wauwatosa	$24,151,554	$3,471
Greenfield	$11,643,714	$3,464
South Milwaukee	$10,998,824	$3,324
Oak Creek-Franklin	$19,377,603	$3,220
Median	*$9,055,354*	*$3,609*

Source: State of Wisconsin, Department of Public Instruction

Note: Many Milwaukee County school districts annually allocate operating expenditures to fund trust fund accounts for future retiree health care expenditures, which are liabilities they incur annually. In some cases, districts assess a charge to instructional and support accounts in order to make these trust payments. The Greendale district, for instance, spent $957,200 in 2009-10 for this purpose, less than half of which was charged to support services accounts. These pass-through funds did not actually finance support costs.

Table 9 shows support services expenditures as a percentage of total district expenditures. Cudahy at 29% ranks lowest and Nicolet and Fox Point-Bayside at 39% are highest. Some expenditure patterns from **Table 8** reappear in this table; Nicolet and its three feeder districts (as well as Brown Deer) generally spend more outside of the classroom, while larger districts and districts with less property wealth spend less.

Table 9: Milwaukee County Suburban School Districts: Support Services Expenditures, % of Total Expenditures, 2009-10

District	Total operations spending	Support services expenditures	Support services % of total expenditures
Nicolet UHS (9-12)	$21,050,026	$8,293,628	39%
Fox Point (K-8)	$12,583,094	$4,905,059	39%
Maple Dale-Indian Hill (K-8)	$7,786,118	$2,861,527	37%
Brown Deer	$22,841,412	$8,393,966	37%
Glendale-River Hills (K-8)	$13,863,645	$4,879,427	35%
Whitnall	$26,294,812	$8,961,971	34%
Saint Francis	$14,228,865	$4,746,069	33%
Greendale	$28,542,462	$9,374,693	33%
Shorewood	$22,222,146	$7,177,258	32%
Greenfield	$36,236,404	$11,643,714	32%
Oak Creek-Franklin	$60,959,170	$19,377,604	32%
Wauwatosa	$76,768,869	$24,151,554	31%
Whitefish Bay	$32,556,547	$10,116,595	31%
South Milwaukee	$35,912,659	$10,998,824	31%
West Allis	$97,192,755	$29,598,199	30%
Franklin Public	$49,338,409	$14,867,217	30%
Cudahy	$31,226,446	$9,055,354	29%

Table 10 shows sub-categories of support services spending in 2009-10. The category with the highest expenditure levels for most districts is business administration, while general administration and central services receive lower allocations. Within each category, district spending varies. For example, Fox Point-Bayside and Glendale-River Hills spent 19% of their support services monies on transportation. In contrast, Cudahy, Shorewood and South Milwaukee each spent 2% on transportation.

Table 10: Milwaukee County Suburban School Districts: Types of Support Services Expenditures, by Percent of Total Support Services and Per Enrolled Pupil, 2009-10

		Pupil services		Instructional staff services		General admin		Building admin		Trans-portation		Business admin		Central services	
District	Total	$	%	$	%	$	%	$	%	$	%	$	%	$	%
Brown Deer	$4,839	$390	8%	$552	11%	$477	10%	$711	15%	$424	9%	$1,939	40%	$346	7%
Cudahy	$3,503	$464	13%	$701	20%	$158	5%	$654	19%	$76	2%	$1,372	39%	$79	2%
Fox Point (K-8)	$5,558	$570	10%	$1,035	19%	$448	8%	$597	11%	$1,053	19%	$1,734	31%	$120	2%
Franklin Public	$3,555	$556	16%	$241	7%	$257	7%	$610	17%	$408	12%	$1,412	40%	$71	2%
Glendale-River Hills (K-8)	$5,049	$507	10%	$1,187	24%	$303	6%	$505	10%	$939	19%	$1,551	31%	$58	1%
Greendale	$3,609	$501	14%	$519	14%	$165	5%	$680	19%	$186	5%	$1,291	36%	$267	7%
Greenfield	$3,464	$429	12%	$448	13%	$131	4%	$598	17%	$352	10%	$1,077	31%	$430	12%
Maple Dale-Indian Hill (K-8)	$5,954	$497	8%	$768	13%	$336	6%	$797	13%	$987	17%	$2,503	42%	$65	1%
Nicolet (9-12)	$7,035	$872	12%	$832	14%	$498	7%	$870	12%	$903	13%	$2,699	38%	$361	5%
Oak Creek-Franklin	$3,220	$508	16%	$313	10%	$135	4%	$500	16%	$563	18%	$1,046	33%	$155	5%
Saint Francis	$3,759	$500	13%	$383	10%	$501	13%	$541	14%	$164	4%	$1,344	36%	$326	9%
Shorewood	$3,782	$469	12%	$494	13%	$307	8%	$596	16%	$77	2%	$1,641	43%	$197	5%
So. Milwaukee	$3,324	$452	14%	$586	18%	$153	5%	$576	17%	$53	2%	$1,313	40%	$192	6%
Wauwatosa	$3,471	$466	13%	$588	17%	$95	3%	$638	18%	$114	3%	$1,303	38%	$266	8%
West Allis	$3,493	$572	16%	$527	15%	$122	4%	$658	19%	$266	8%	$1,093	31%	$254	7%
Whitefish Bay	$3,497	$463	13%	$757	22%	$234	7%	$608	17%	$86	3%	$1,253	36%	$97	3%
Whitnall	$3,850	$569	15%	$494	13%	$200	5%	$571	15%	$371	10%	$1,367	36%	$277	7%

Source: State of Wisconsin, Department of Public Instruction

Table 11 compares expenditures for pupil and instructional staff services to expenditures for purely administrative functions. Interestingly, there are not clear patterns to explain the proportion that a district spends on administration. For example, Glendale-River Hills spent $5,049 per pupil on support services in 2009-10, of which 67% went to administrative functions. In contrast, Cudahy spent a similar proportion on administrative functions (67%), but spent much less per pupil ($3,503).

Table 11: Milwaukee County Suburban School Districts: Pupil Services/Instructional Staff and Administrative Functions Expenditures, 2009-10

	Pupil Services/ Instructional Staff		Administrative Functions		
District	Per enrolled pupil	% of total support	Per enrolled pupil	% of total support	Total Support Services Expenditures per enrolled pupil
Brown Deer	$941	20%	$3,897	80%	$4,839
Cudahy	$1,165	33%	$2,338	67%	$3,503
Fox Point (K-8)	$1,605	29%	$3,952	71%	$5,558
Franklin Public	$798	23%	$2,758	78%	$3,555
Glendale-River Hills (K-8)	$1,693	34%	$3,356	67%	$5,049
Greendale	$1,020	28%	$2,589	72%	$3,609
Greenfield	$877	25%	$2,588	75%	$3,464
Maple Dale-Indian Hill (K-8)	$1,264	21%	$4,690	79%	$5,954
Nicolet (9-12)	$1,704	24%	$5,331	76%	$7,035
Oak Creek-Franklin	$821	26%	$2,399	74%	$3,220
Saint Francis	$883	24%	$2,876	77%	$3,759
Shorewood	$963	26%	$2,819	74%	$3,782
South Milwaukee	$1,038	31%	$2,286	69%	$3,324
Wauwatosa	$1,054	30%	$2,417	70%	$3,471
West Allis	$1,099	32%	$2,393	69%	$3,493
Whitefish Bay	$1,220	35%	$2,277	65%	$3,497
Whitnall	$1,063	28%	$2,786	72%	$3,850

Source: State of Wisconsin, Department of Public Instruction

Taken as a whole, these tables show considerable variation within Milwaukee County's suburbs in support services expenditures, particularly across the different categories of spending. In general, however, a picture emerges of higher support services spending per pupil in the smaller districts with the highest property values—Nicolet, Maple Dale-Indian Hill, Fox Point-Bayside, and Glendale-River Hills. Meanwhile, the largest districts—Oak Creek-Franklin, West Allis, and Wauwatosa—are well below the county median, as are the two districts with the lowest property values, South Milwaukee and Cudahy.

This picture suggests, therefore, that the ability to achieve economies of scale through consolidation of support services may hold the greatest potential for savings in the smaller districts. On the other hand, in light of their higher property values, the need to pursue such savings in those districts may not be as great since their financial pressures are not as intense.

PEER ANALYSIS

In this section, Milwaukee County suburban school districts' support services expenditures are examined in their statewide context. The need for comparison with statewide peers is driven by the wide range of differences that exist in the Milwaukee County suburban districts in regard to student profiles, enrollment size, property wealth, and revenues. The peer analysis provides a tool to explore how support services spending in individual Milwaukee County suburban districts compares with other similar-sized districts across the state.

Although the peer data produce some interesting information about the comparative spending levels of Milwaukee County suburban districts, the data do not yield definitive conclusions about which factors are driving out-of-classroom spending statewide or in Milwaukee County. Various factors influence the spending levels of individual districts, including revenue capacity, resident expectations for service, and student characteristics and needs. Moreover, it is likely that higher labor and health care costs in southeast Wisconsin generate upward spending pressure for all Milwaukee County suburban districts. The review of peer data is intended to serve as a starting point for further analysis. In particular, it is hoped that those who are found to spend more than their peers will seek to understand the reasons behind their comparably high spending levels.

The peers in the analysis were selected on the basis of type (non-rural) and total enrollment. Our analysis employs the U.S. Census Bureau's definition of a rural district and the following five enrollment categories:

- Category A: 5,000 to 9,999 students (20 districts)
- Category B: 3,000 to 4,999 students (35 districts)
- Category C: 2,000 to 2,999 students (34 districts)
- Category D: 1,000 to 1,999 students (48 districts)
- Category E: enrollment below 999 students (28 districts)

The charts in this section illustrate district out-of-classroom spending on an enrolled student per-pupil basis and as a percentage of total expenditures. We use the same support services categories previously discussed, with the exclusion of transportation expenses. (Note: Appendix A contains tables with the same information on a per-resident-pupil basis, excluding non-resident pupils.)

Chart 1: Milwaukee County Suburban School Districts Peer Analysis: Support Services Expenditures Per Pupil, 2009-10

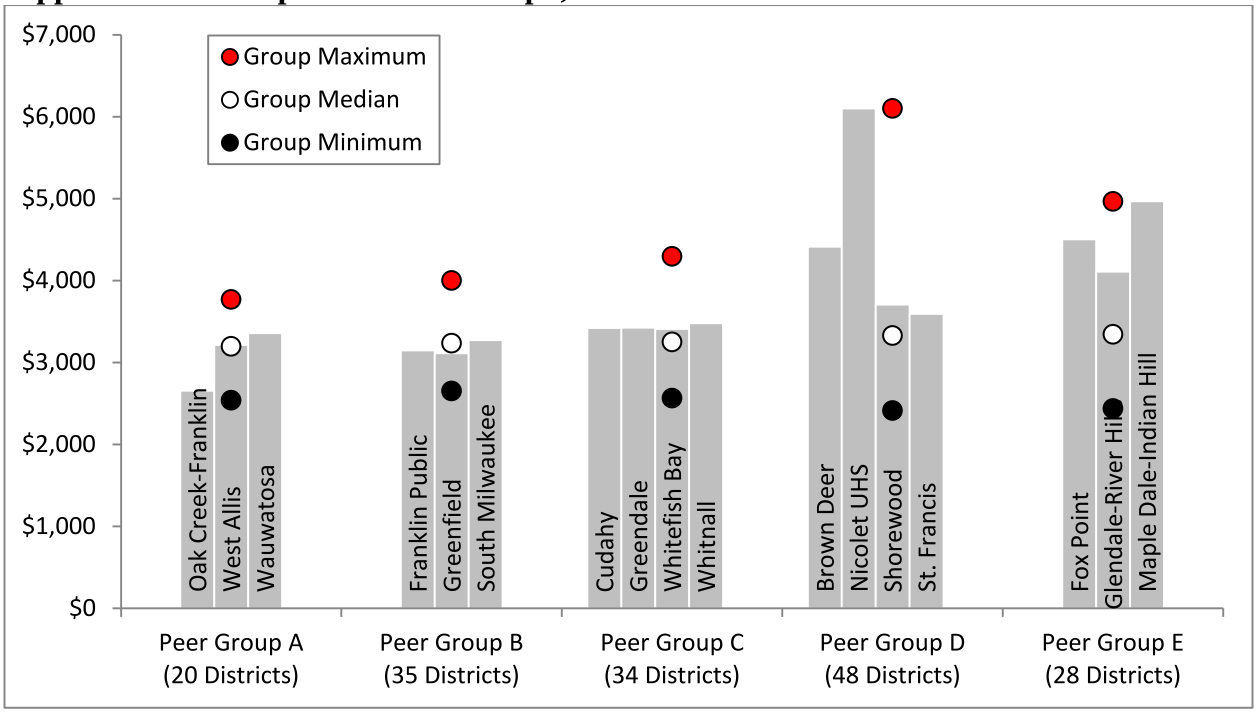


Chart 1 shows how each suburban Milwaukee County district's support services expenditure per pupil compares to the maximum, median and minimum expenditure levels within its peer category. The chart indicates that most districts in the county spend more per pupil than their peer median, with the exception of Oak Creek-Franklin, Franklin Public, and Greenfield.

Of note is the fact that the small suburban districts that have the highest level of support services expenditures in Milwaukee County, such as Nicolet, Maple Dale-Indian Hill, Glendale-River Hills, and Fox Point-Bayside, also rank highly on this measure when compared with statewide districts of similar enrollment. As noted previously, these three districts also stand out among Milwaukee County districts because they are three K-8 feeder districts serving one high school district. While more common elsewhere in the state, the Nicolet feeder-district arrangement is unique in Milwaukee County.

The chart also shows that the statewide median support services expenditure per pupil does not vary dramatically across the peer groups, suggesting that statewide, district size does not appear to be driving per-pupil expenditures. For instance, districts with enrollments between 5,000 and 9,999 (Group A) had median expenditures of $3,199 per pupil, while districts with enrollments of less than 1,000 (Group E) had median expenditures of $3,345 per pupil. Thus, it should not be presumed that the size of a school district determines its level of out-of-classroom expenditures.

Chart 2: Milwaukee County Suburban School Districts Peer Analysis: Support Services as Percentage of Total Expenditures, 2009-10

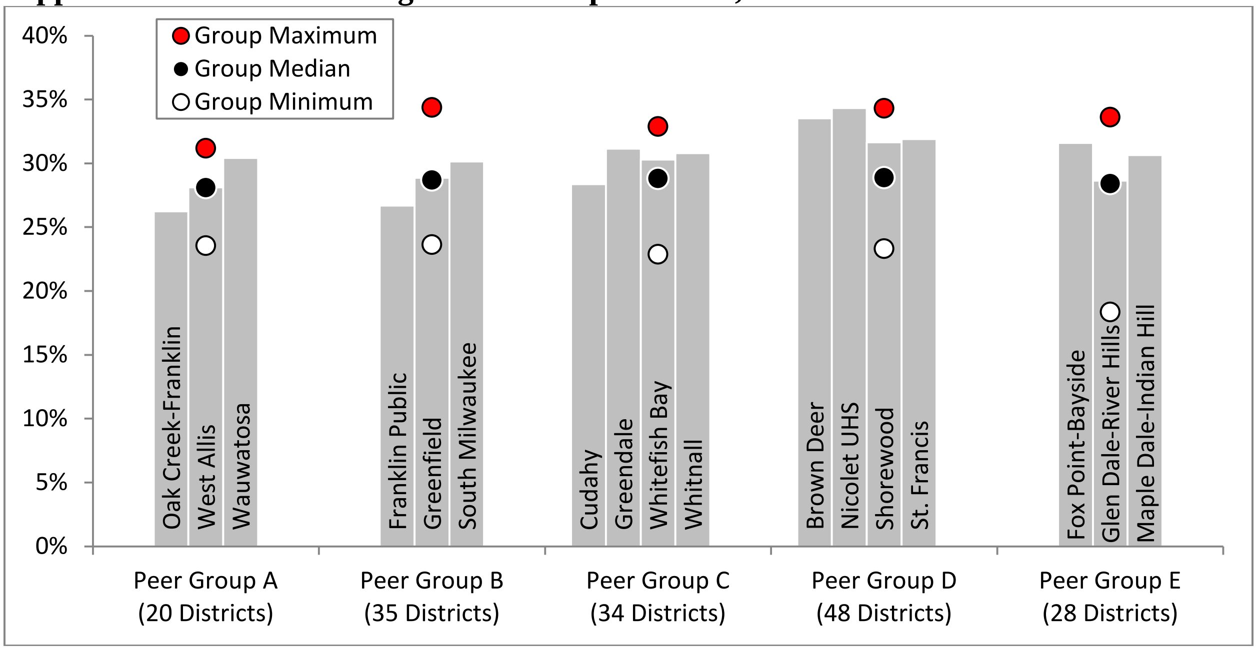
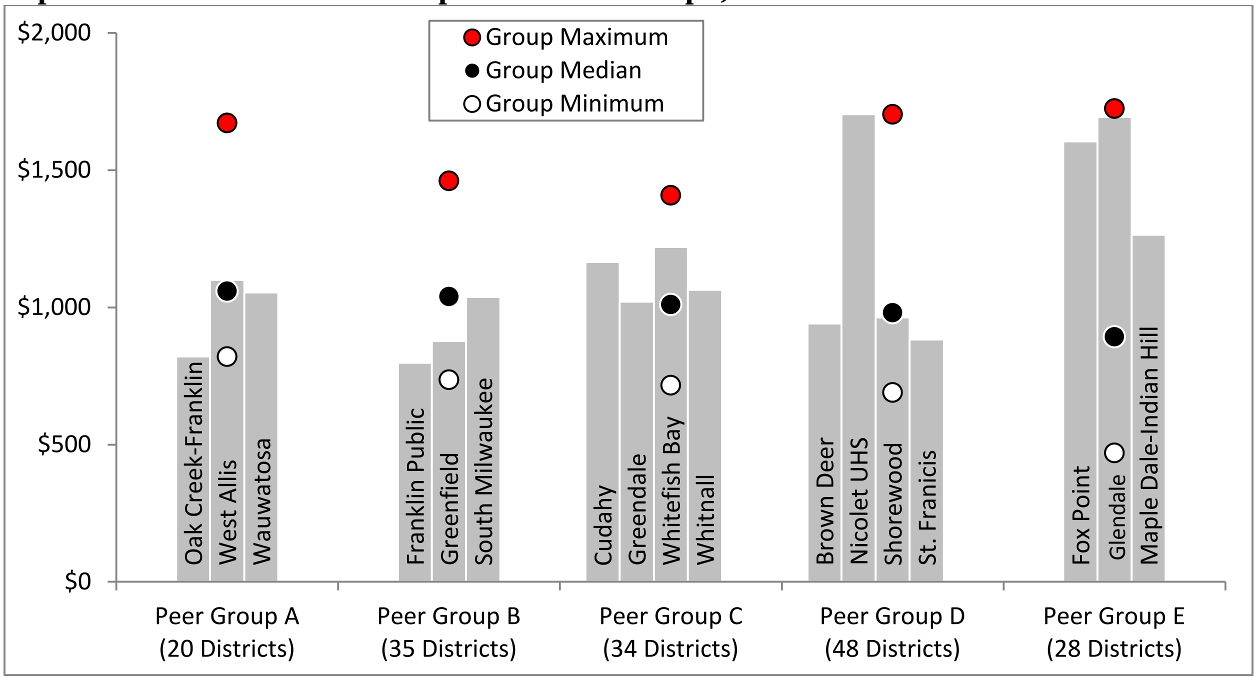


Chart 2 presents support services expenditures as a percentage of total expenditures for each Milwaukee County suburban district in comparison with its peer districts. This chart also shows consistency statewide among school districts of various sizes in the proportion of district expenditures consumed outside the classroom as reflected by the peer group medians, which are all 28% or 29%. With three exceptions, all Milwaukee County suburban districts are at or above their peer median.

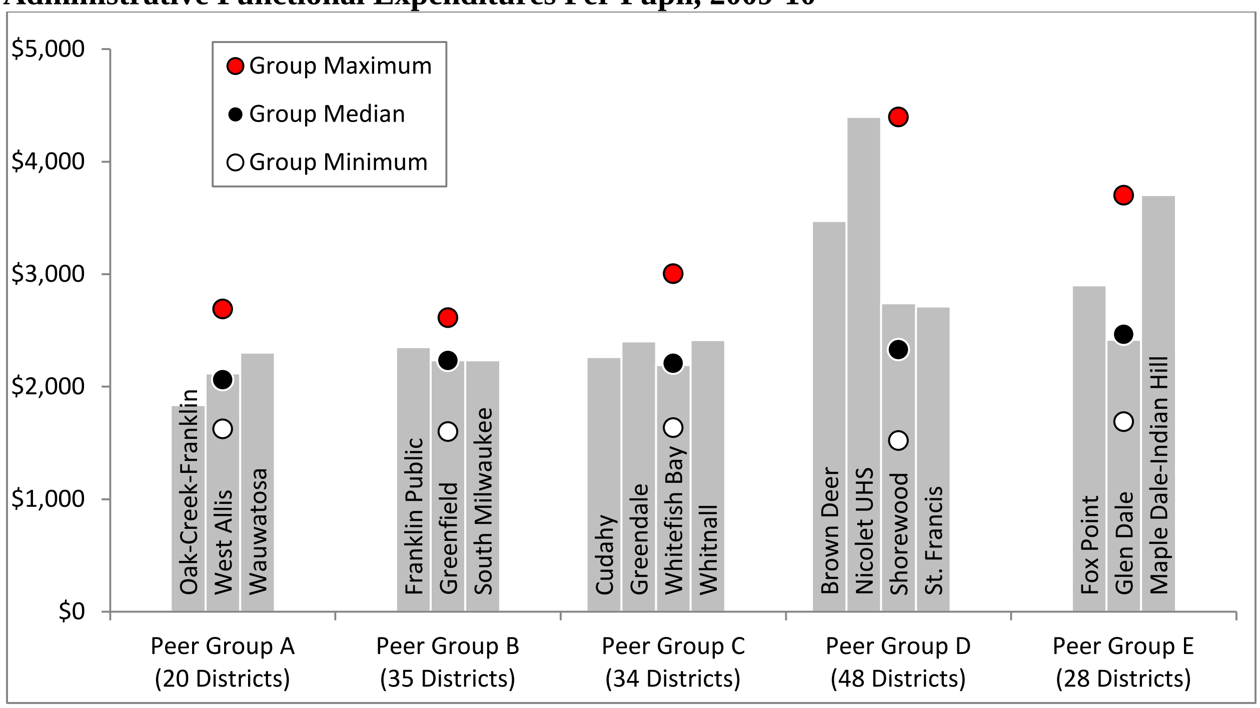
Charts 3 and **4** present the out-of-classroom expenditures that directly impact students (**Chart 3**) and those that are purely administrative (**Chart 4**). The charts show Milwaukee County districts tend to spend slightly more on administrative activities than on student-related support services when compared to their statewide peers. They also show that the Milwaukee County districts that have the highest property values and that are smaller in size rank higher in spending than other Milwaukee County districts.

Chart 3: Milwaukee County Suburban School Districts Peer Analysis: Pupil and Instructional Staff Expenditures Per Pupil, 2009-10



Source: State of Wisconsin, Department of Public Instruction

Chart 4: Milwaukee County Suburban School Districts Peer Analysis: Administrative Functional Expenditures Per Pupil, 2009-10



Source: State of Wisconsin, Department of Public Instruction

A series of charts in the appendix repeat the above analysis using resident enrollment in the per-pupil calculations. Because Milwaukee County suburban districts enroll a relatively high number of non-resident students, there is a slight shift in the peer position for some of the districts when using resident enrollment, with most districts spending above the peer median. Nevertheless, the patterns that appear in the total enrollment calculations, described above, generally remain for the resident enrollment analysis.

The peer analysis provides valuable perspective with which to assess Milwaukee County suburban districts' out-of-classroom expenditures. The data show that 14 of the 17 districts have higher per-pupil support services expenditures than their peer medians, with some slightly above the median and others considerably higher. The wealthier North Shore districts have higher levels of support services spending both within the county and as compared to statewide peers. The districts with lower support services spending as compared to the rest of the county, such as South Milwaukee, Cudahy, Wauwatosa, and West Allis, tend to spend around their statewide peer medians.[13]

Interestingly, the data also show that per-pupil support services spending is relatively consistent among the different size-based peer groups. While additional research is required to fully understand the meaning of this finding, it seems to suggest that districts with higher levels of spending are being influenced by factors other than size, such as ability/willingness to pay, student needs, and district service demands.

Finally, the peer analysis shows that support services expenditures as a percentage of total expenditures are at or above the peer medians for 14 of the county's 17 suburban districts. This finding suggests that out-of-classroom expenditures not only are high in Milwaukee County, but also that these costs may place greater financial stress on district budgets than they do in districts in the rest of the state.

What do these findings suggest for the issue of shared services? Since Milwaukee County school districts' out-of-classroom expenses are higher than elsewhere in the state and may lead to greater budget pressure, there are more dollars at stake and more potential budgetary benefits to be realized from shared services initiatives.

[13] The outlier in these statistics is Oak Creek-Franklin, which ranked lowest in the county in per pupil support service expenditures and 18th among its 20-member peer group. Oak Creek-Franklin is a large district and the only one in the county to have experienced a substantial enrollment increase in the last decade, factors that may help explain its unique fiscal position.

SHARED SERVICES IN SUBURBAN MILWAUKEE COUNTY SCHOOL DISTRICTS

Overview

All of the suburban school districts in Milwaukee County engage to varying degrees in the sharing of out-of-classroom services. The examples discussed in this section, which were identified largely through conversations with local school officials, offer some sense of the range and types of activities. They are by no means a complete list.

School districts often share services in situations where they individually lack the resources, staff, and expertise to respond to student needs. This often occurs when a special student population requires additional educational assistance. By coordinating efforts, districts are able to offer a greater range of services at a reasonable cost.

An example of this situation is found in southern Milwaukee County, where Cudahy, South Milwaukee, and Oak Creek-Franklin operate the Connects Learning Center, an alternative high school that students attend for a portion of their school day. All three districts closely cooperate in the administration of Connects Learning, which is owned by South Milwaukee and located in Cudahy. Under their joint arrangement, Oak Creek-Franklin manages the staff, South Milwaukee is in charge of technology services, and Cudahy provides building maintenance. The Franklin Public school district also purchases seats at Connects Learning.

Special education is a particular area in which many districts share services both inside and outside the classroom. A common arrangement is for one district to work with one or more other districts in serving a specific student disability or need. The Whitefish Bay and Nicolet districts, for example, have a written agreement whereby low-functioning, high-need students receive their education at Whitefish Bay. These same districts also have entered into a formal agreement for students with other types of disabilities. District officials throughout the county report they continually assess the possibilities for sharing special education services. At the same time, they recognize that some special education students can benefit from attending a local school near their home.

The seven districts in the northern part of the county participate in a cooperative that provides for shared special education services dependent upon students' individual circumstances and needs. In the south, Oak Creek-Franklin and South Milwaukee share teaching staff for visually impaired and deaf students. In some cases, districts may contract with the local CESA for delivery of special education services, such as the hiring of a teacher for deaf and hard of hearing students. In other cases, multiple districts work together with a CESA to create special education programs. Cooperation in special education extends to administrative services, in part, because of the expertise required for such program management. Thus, Glendale-River Hills shares a special education administrator with Maple Dale-Indian Hill on a 70%/30% basis, and Whitefish Bay and Fox Point-Bayside have a similar arrangement on an 80%/20% split.

Such position sharing enables each district to have access to full-time staff. Otherwise, budgetary constraints would limit each to the services of a part-timer. This form of administrative cooperation is not limited to special education. For instance, Brown Deer, Fox Point-Bayside, and Glendale-River Hills jointly share a nurse administrator.

There are advantages and disadvantages to such staffing arrangements. A person with a full-time position usually stays longer on the job and, thereby, offers greater operational stability. On the other hand, such an employee is under the supervision of two different administrators and educational systems and this may present some complications. Some school officials say it is easier to manage a shared administrative position than a teaching position since teachers typically have had less flexibility in their schedules.

While most districts formalize cooperative agreements under Section 66.03.01 of the state statutes, less-structured types of cooperation exist. For instance, some county districts are part of a large group of school districts that are working with University of Wisconsin-Madison faculty on the development of a new teacher evaluation system (recent changes in state law removed teacher evaluation from collective bargaining). Another large working group is currently considering changes in the purchasing of health insurance.

School districts also share administrative services with local municipalities. In South Milwaukee, for instance, the district has an arrangement whereby the city maintains and repairs district vehicles at cost, and the Fox Point-Bayside district shares a back-up generator with the Village of Fox Point. Many districts report that they make available their auditoriums and large spaces for special community events.

In Whitefish Bay, district and village cooperation appears especially close. Indeed, in 2004, the two entities received the Wisconsin Association of Business Officials' Business Services Award for their administrative coordination. The district and the village share in equipment purchases and lend one another large equipment. The village maintains district vehicles, under contract, and collects district refuse. The district's building and grounds director even participates in assessing the condition of community buildings. The district's chief business officer reports that "continuous interaction" among the parties is required for such coordinated activity to be successful, and greater ongoing communication "than one might expect was needed." Service sharing also works, he reports, because the town and the district share a common tax base.

Finally, local governments and school districts formed a non-profit organization in 1991 (called V.A.L.U.E. - Volume Acquisition and Large Uniform Expenditures) to administer a cooperative purchasing program. The program is available to public sector entities in the region who wish to seek better prices on certain goods and services by combining bulk purchase orders with others. Such products may include custodial supplies, paper supplies, etc.

Nicolet and its Feeder Districts

Within Milwaukee County, it is not surprising that the Nicolet Union district and the high school's three feeder districts exhibit considerable out-of-classroom cooperation. Their close interaction is a reflection of their low enrollment, the program and fiscal benefits that they derive from shared services, their shared educational mission, and historical ties. Of note is the program integration that they have achieved in a few key administrative services.

Two long-standing examples of their cooperative efforts include a single pupil transportation system and a food service consortium. The Nicolet Transportation Committee was formed about 35 years ago to manage their school bus system. While seemingly a simple matter, successful operation requires close coordination of school schedules, a matter of keen resident interest. Staggered opening and closing times enable buses to serve multiple schools and, thereby, a greater number of students in the course of a single day.

About 25 years ago, the three Nicolet feeder districts formed the North Shore Consortium Food Service in cooperation with St. Eugene's Catholic School. The consortium contracts with Taher, Inc. to manage food operations and prepare and serve more than 2,000 meals a day at six public and four private schools. Such economies of scale promote cost efficiency and, arguably, food quality.

The districts also cooperate in other ways, including buildings and ground operations such as snow plowing, tree removal, and maintenance of athletic fields; coordinated purchasing to take advantage of volume pricing discounts; cost sharing in staff development; and joint fundraising events for their non-profit foundations.

The four districts meet four times a year to plan, discuss, and coordinate shared services. These meetings usually are attended by each district's superintendent, business officer, and one or more board members. Professional development, curricula issues, and position sharing are common meeting topics, such as the recent decision by Glendale-River Hills and Nicolet to share a German teacher and guidance counselor. Most arrangements are for one year only and are formalized through a Section 66.03.01 agreement that each board must approve.

Of the four districts, Maple Dale-Indian Hill and Glendale-River Hills have the closest working relationship. Indeed, from the mid-1980s through 2006, these districts shared a school superintendent and a business manager in a cooperative arrangement that reportedly saved "millions of dollars" during its existence. Today, both districts share staff for business services, evenly splitting payroll and accounts positions and a position for buildings and grounds. They also share a special education administrator, as noted previously. Each district separately employs a part-time business manager.

In many respects, this interaction is worthy of praise because of the efficiencies it appears to generate. On the other hand, it raises questions as to why the districts' leaders are not actively pursuing full consolidation into one unified district, as these districts have among the highest per-pupil support services costs despite their considerable cooperative activities. Consolidation has received limited discussion over the years, but has received little support from school board members (based, presumably, on the feedback they have received from constituents). The data presented in this report may give food for thought for additional consideration of full consolidation.

FUTURE PROSPECTS FOR SHARED SERVICES: SELECT ISSUES

In this section, we focus on three areas of school district operations holding promise for shared services savings: health insurance, back office operations, and an enhanced role for regional educational agencies.

Health Insurance

A number of reports and initiatives in other states have encouraged school districts to coordinate their purchasing of health care insurance in order to leverage premium reductions and cost savings.[14] In 2009-10, prior to the adoption of the state budget repair bill provision that removed health insurance coverage from collective bargaining requirements, the suburban Milwaukee County districts spent $81 million on health insurance, as shown in **Table 12**.

The expenditures portrayed are for all of a district's medical programs, including dental insurance. Under the DPI format, districts that self-insure report their actual health care expenditures, a level of expense that can vary greatly from year to year. In other districts, premiums vary according to factors such as the plan's benefits and employees' demographic and health cost profile. The median district spent $3 million on health care insurance, or 24% of total salary expenditures.

Table 12: Milwaukee County Suburban Districts: Health Insurance Expenditures, 2009-10

District	Health insurance expenditures	Health insurance as % of salary expenditures
West Allis	$19,107,687	40%
Wauwatosa	$12,107,240	30%
Oak Creek-Franklin	$7,139,635	22%
Franklin Public	$6,918,229	27%
Greenfield	$5,508,161	31%
Whitnall	$4,143,910	31%
South Milwaukee	$4,066,665	21%
Whitefish Bay	$3,822,193	23%
Shorewood	$3,019,449	26%
Greendale	$2,926,097	19%
Glendale-River Hills (K-8)	$2,419,593	41%
Brown Deer	$2,238,498	21%
Nicolet (9-12)	$2,146,057	23%
Saint Francis	$1,776,313	24%
Cudahy*	$1,628,504	9%
Fox Point (K-8)	$1,234,715	20%
Maple Dale-Indian Hill (K-8)	$1,138,557	31%

Source: State of Wisconsin, Department of Public Instruction.

* Does not include retiree health care costs funded by the Cudahy district

[14] For example, New York has identified as a "best practice" the recent creation of the Tompkins County Health Care Consortium by the county government and 16 of its municipalities. The Office of the State Comptroller reports that "significant savings" are anticipated under this self-insured program because of its "lower administrative fees, elimination of administrative fees, and elimination of insurance agency commissions, broader spreading of risk, and the ability to invest excess funds in reserve accounts." New York State Comptroller, *Research Brief*, p. 11.

Section 185.99 of the Wisconsin Statutes, enacted in 2005, allows for the regional establishment of health benefit purchasing cooperatives so that individuals and small groups can band together for purchasing purposes. Under the statute, the cooperative and insurer must structure negotiated health insurance benefits and costs in a single health care policy or plan. The insurer must offer coverage under the plan to each individual who is a member or eligible employee of the plan and his/her dependent(s). A cooperative established under the statute must file a report on the impact of the cooperative on the number of insured in the local region and how health care consumers were involved in developing and implementing the agreement.

One example of a school health purchasing cooperative established under Section 185.99 is found in Waukesha County. Twelve school districts participate and the Pewaukee School District is the fiscal agent. The cooperative has a board that meets annually, with each participating district receiving one seat on the board. A private firm manages the cooperative's health insurance contract.

The Waukesha Area Schools Cooperative's health insurance program currently serves about 1,100 employees. Participation rose dramatically during the past year (up from 350 employees) due to the influx of teachers whose insurance benefits previously were governed by union contracts and who are now responsible for a greater portion of their health care costs. The business manager for the Pewaukee School District reports that all participating districts have saved money under the program, with estimated savings from 10% to 20% of prior year costs.

The districts in this cooperative are small, the kind most likely to benefit from an enlarged insurance pool. It may be worthwhile for small Milwaukee County districts to explore such a health-purchasing cooperative, given the amount of their health insurance expenditures and their expanded authority over the management and design of health care benefits.

Back Office Operations

Many states and local communities are engaged in, or exploring the possibilities for, sharing "back office" central administrative operations. Efforts range from leveraging the collective purchasing power of local districts to inter-district consolidation of some or all of these services.[15] Back office services coordination seeks to remedy the fact that the small size of many school districts prevents them from realizing economies of scale in purchasing or directly providing these services. By coordinating or integrating services across districts, it may be possible for small districts to obtain cost savings. Another appeal of back office coordination is that, no matter the nature of service integration, academic programs are not affected. Core instructional operations remain unchanged and a consolidation of districts is not required.

A recent survey by the Wisconsin Association of School Board Officials (with a 71% response rate) suggests there is room for improving at least one back office function - procurement

[15] One example is the Green County Shared Service Delivery Initiative in Ohio, launched in 2009, which is focused on the integration of financial and business administrative functions. The initiative anticipates most savings will come from services for banking, payroll, vacation and substitute teaching scheduling, health care, accounts payable and receivable, financial reporting and travel expenses.

services - throughout the state. It was found that most respondents do not have dedicated purchasing staff and expertise, do not use CESA purchasing contracts, and are unaware of important opportunities that exist for cooperative procurement. For instance, 72% of those surveyed were unfamiliar with Vendor Net, the state's procurement program that schools can use. The good news is that most respondents wanted to find out more. Their major areas of interest were supplies, technology, insurance, paper, and food.

The most complete type of back room services cooperation involves the merger of district staffs in a unified service operation that serves multiple districts. Such staff integration is far from common but has the potential for realizing higher levels of savings, for example, by eliminating duplicative positions.

There are practical impediments to full back office consolidation, however. Some districts, whose school and municipal boundaries are coterminous and where residents have strong community ties, may be reluctant to relinquish control of administrative services to a unit whose jurisdiction extends beyond local borders. They may even prefer to pay more for an administrative service that they believe is more responsive and sensitive to community interests. Also, full consolidation can threaten the loss of experienced administrators.

Another consideration is that small and medium-size districts have little budgetary flexibility to facilitate transition from single to consolidated service. It is unlikely, for instance, that similar positions would become vacant in multiple districts that might readily permit their consolidation. The difficulty inherent in districts getting together on their own to consolidate back office functions is one reason that those advocating such consolidation have usually linked it to broader regional restructuring. In those instances, another administrative unit, such as a county or regional educational agency, takes on the administrative responsibilities that previously fell to local districts.

Could some Milwaukee County school districts consolidate their back office services by themselves, without involving a regional educational agency? The most likely place for this to happen would appear to be in the Nicolet district and its three feeder districts. As discussed previously, these four districts have high costs and already are cooperating in a number of administrative operations. Moreover, two of the districts, Maple Dale-Indian Hill and Glendale-River Hills, in the past achieved a high degree of cooperation by sharing a single business administrator and school superintendent. Another potential area for such cooperation might be among the smaller and medium-sized districts in the southern part of the county. Back office consolidation among such districts would offer economies of scale and cost savings that could prove attractive to residents. These districts are cost-sensitive with lower tax levies and rates.

How much money Milwaukee County school districts might save through back office coordination depends on what services and staff are affected and the degree of coordination. Clearly the potential for savings exists, however, based on our finding that Milwaukee County suburban school district administrative functions constituted a substantial percentage of total support services expenditures in 2009-10.

Use of CESA #1

Many researchers and interested parties see regional educational agencies as the key to achieving shared services savings.[16] The effectiveness of Wisconsin's CESAs in promoting shared services is a topic deserving further study. For this report, we asked district administrators how they used CESA #1 services. Those discussions indicate that many Milwaukee County school administrators look to CESA#1 for special education and technology services.

A central point about CESA operations is that they are financed through charges assessed for service. For example, if a district needs to hire a part-time special education teacher, it can do so through a CESA and is charged for the use of that teacher. Some districts prefer to hire on their own. Since CESA #1 is market-oriented, it is less likely to offer services for which there is little demand. Perhaps for this reason, district administrators say that CESA #1 is less focused on offering back office services than other CESAs statewide, many of whom serve small districts with skeletal administrative staffs.

Table 13 presents 2009-10 CESA expenditures for Milwaukee County suburban school districts. The table shows that two of the largest districts, West Allis and Oak Creek-Franklin, have few CESA expenditures, while some smaller districts spend more.

Table 13: Milwaukee County Suburban School Districts: CESA Expenditures, 2009-10

District	CESA expenditures	Per pupil
Brown Deer	$842,083	$485.41
Cudahy	$21,135	$8.18
Fox Point (K-8)	$34,443	$39.02
Franklin Public	$119,660	$28.62
Glendale-River Hills (K-8)	$66,021	$68.32
Greendale	$7,630	$2.94
Greenfield	$292,888	$87.14
Maple Dale-Indian Hill (K-8)	$67,143	$139.71
Nicolet (9-12)	$519,903	$439.11
Oak Creek-Franklin	$3,112	$0.52
S. Milwaukee	$27,114	$8.19
Shorewood	$79,785	$42.04
Saint Francis	$46,716	$37.00
Wauwatosa	$288,173	$41.41
West Allis	$0	$0.00
Whitefish Bay	$455,180	$157.34
Whitnall	$179,130	$76.95

Source: State of Wisconsin: Department of Public Instruction

[16] A 2011 report, *Towards a New Model of Educational Governance for Ohio,* reviewed research from across the country and found broad agreement that sharing services has the potential to deliver savings at the district level if "educational intermediaries" facilitate that goal.

To better understand the use of CESA#1, we consulted business officers at the two districts with the largest CESA expenditures in 2009-10, Nicolet and Brown Deer. Nicolet reports that a considerable amount of its CESA expenditures are for staff used in special education. The district also utilizes other staff from CESA, such as a school nurse and reading specialist. Nicolet uses the CESA to create stability and predictability in low and changing enrollment programs; since the district has only one school, it cannot shift staff between school buildings when enrollment fluctuates. Through use of CESA#1, Nicolet can make hiring decisions later in the school year, based on more accurate enrollment information, than is the case when the district directly hires its own staff.

Brown Deer reports that the preponderance of its CESA expenditures are in areas of special education, such as speech and language and severe cognitive delay, where the enrollment is too small and unpredictable to justify the hiring of permanent staff. However, Brown Deer's CESA expenditures can change significantly from year to year because the district also works directly with neighboring districts under Section 66.03.01 to coordinate some special education services. About one quarter of the district's CESA expenditures in 2009-10 also were for an alternative high school program.

CONCLUSION

This report is part of a series of ongoing facilitation activities and research by the Public Policy Forum to explore the potential for increasing shared services among local governments. Enhanced inter-governmental coordination and cooperation holds considerable appeal because it affords the possibility of saving taxpayer dollars while retaining or enhancing existing levels and quality of government services.

In this study, the setting is elementary and secondary education in suburban Milwaukee County school districts, with a specific emphasis on out-of-classroom operations. We find that many Milwaukee County suburban districts are cooperating with neighboring school districts in providing administrative and other services, and we present several examples that highlight the range of such activity. The amount of sharing is particularly impressive in the area of special education, and we also cite praiseworthy efforts to coordinate administrative operations with local governments.

Could Milwaukee County suburban school districts achieve even greater levels of coordination and cooperation for out-of-classroom operations that might further reduce their operating costs? To explore that question, we felt it was important to show how much money is spent in six categories of support services that affect ongoing operations. The study also compares these support services expenditures with expenditure data for peer districts of similar size throughout the state.

Our review of 2009-10 expenditure data suggests that Milwaukee County suburban school districts would be well-advised to consider undertaking more cooperative and coordinated efforts to reduce their administrative costs. That conclusion is based on the following:

- Most Milwaukee County suburban school districts have support services expenditures that are above the median of their respective peer groups on a per-pupil basis, although some districts only slightly exceed this amount. The suburban school districts in Milwaukee County with the highest property values, meanwhile, have support services expenditures well above the median of their respective peer groups.

- Fourteen of the 17 Milwaukee County suburban districts are at or above their peer medians in support services expenditures as a percentage of total expenditures. As a consequence, support services expenditures constitute a greater proportion of these districts' budgets and require a greater share of district revenues.

- There is considerable variation within Milwaukee County in support services expenditures per pupil, ranging from $3,220 at Oak Creek-Franklin to $7,035 at Nicolet, and from 29% of total expenditures at Cudahy to 39% at Nicolet and Fox Point-Bayside. Nicolet and its small feeder districts, among the wealthiest districts in terms of property values, generally have the highest expenditure totals per pupil, while the largest districts (Oak Creek-Franklin, West Allis, and Wauwatosa) are well below the county median.

It is our hope that the Milwaukee County suburban school districts will consult the expenditure data included in this report as they consider internal fiscal and program evaluations and contemplate budget strategies. We fully expect each district to do so, of course, in the context of its own fiscal and educational circumstances.

Indeed, while the data offer valuable insights, they do not and should not serve as the last word on the appropriateness of a district's out-of-classroom expenditures. There may be a practical reason, for example, why expenditures for a given district were higher in 2009-10 than in other years, or higher or lower than a neighboring district's. Or, it may be the case that a district's residents prefer the level and quality of services they now receive, or believe they better meet student needs, even if they cost more. It is also critical to keep in mind that not all support services expenditures are administrative in nature. Expenditures in pupil services and instructional staff services, for example, directly impact students and instructional activity.

With respect to shared services, school district officials have pointed out that effective cooperation and coordination of administrative services require good working relationships, continuous interaction among staffs, and an eye for savings opportunities. The information contained in this report does not represent a blueprint or even a list of the kind of cooperative activities in which school districts should engage. However, based on our interviews and our review of other states' experiences, we do emphasize three areas of shared services saving opportunities that may hold promise: cooperative health insurance purchasing, back-office operations, and regional networking.

Consolidation of back office operations is perhaps the most intriguing of the three options examined, particularly for the Nicolet district and its three feeder districts, all of which are small in size, with high costs, and a tradition of inter-district cooperation. Residents in small- and medium-sized districts in the southern part of the county also might find this attractive given their traditional concerns about cost, and the fact that district borders cross several other municipal taxing jurisdictions, allowing costs to be spread among a larger tax base.

Clearly, enhanced service sharing will not be the panacea for the fiscal challenges facing school districts in suburban Milwaukee County. Indeed, should state and local officials wish to pursue large savings linked to sharing or consolidation, exploration of full consolidation of smaller districts would be a more logical approach. In light of the political obstacles that likely would cloud such pursuit, however, we find that further exploration of shared services opportunities would be worthwhile and should be pursued.

APPENDIX A: PER-PUPIL COSTS USING TOTAL FTE ENROLLMENT

Table 8A: Milwaukee County Suburban School Districts: Support Services Expenditures Per Resident Pupil, 2009-10

District	Support services expenditures	Support services expenditures per resident pupil
Nicolet (9-12)	$8,329,083	$7,586
Maple Dale-Indian Hill (K-8)	$2,861,527	$6,701
Fox Point (K-8)	$4,905,059	$6,437
Brown Deer	$8,393,966	$5,313
Saint Francis	$4,746,069	$5,279
Glendale-River Hills (K-8)	$4,879,427	$5,269
Shorewood	$7,177,258	$4,417
Greendale	$9,374,693	$4,289
Whitnall	$8,961,971	$4,087
Wauwatosa	$24,151,554	$3,984
Greenfield	$11,643,714	$3,950
Whitefish Bay	$10,116,596	$3,890
Franklin Public	$14,867,216	$3,829
West Allis	$29,684,403	$3,660
Cudahy	$9,055,354	$3,583
South Milwaukee	$10,998,824	$3,510
Oak Creek-Franklin	$19,377,603	$3,261
Median	*$9,055,354*	*$4,087*

Source: State of Wisconsin, Department of Public Instruction

Note: Many Milwaukee County school districts annually allocate operating expenditures to fund trust fund accounts for future retiree health care expenditures, liabilities they incur annually. In some cases, districts assess a charge to instructional and support accounts in order to make these trust payments. The Greendale district, for instance, spent $957,200 in 2009-10 for this purpose, less than half of which was charged to support services accounts. These pass-through funds did not actually finance support costs.

Table 10A: Milwaukee County Suburban School Districts, Types of Support Services Expenditures, by Percent and Per Resident Pupil, 2009-10

District	Pupil services		Instructional services		General administration		Building administration		Trans-portation		Business administration		Central services	
	$	%	$	%	$	%	$	%	$	%	$	%	$	%
Brown Deer	$428	8%	$606	11%	$523	10%	$781	15%	$466	9%	$2,129	40%	$380	7%
Cudahy	$475	13%	$717	20%	$162	5%	$669	19%	$78	2%	$1,403	39%	$80	2%
Fox Point (K-8)	$661	10%	$1,199	19%	$519	8%	$692	11%	$1,219	19%	$2,009	31%	$139	2%
Franklin Public	$599	16%	$260	7%	$277	7%	$656	17%	$439	12%	$1,521	40%	$77	2%
Glendale-River Hills (K-8)	$529	10%	$1,239	24%	$316	6%	$527	10%	$980	18%	$1,618	30%	$60	1%
Greendale	$595	14%	$617	14%	$196	5%	$808	19%	$221	5%	$1,534	36%	$317	7%
Greenfield	$489	12%	$511	13%	$149	3%	$682	17%	$401	10%	$1,227	31%	$490	12%
Maple Dale-Indian Hill (K-8)	$559	8%	$864	13%	$379	6%	$898	13%	$1,111	17%	$2,817	42%	$73	1%
Nicolet (9-12)	$940	12%	$897	12%	$537	7%	$938	12%	$974	13%	$2,910	38%	$389	5%
Oak Creek-Franklin	$515	16%	$317	10%	$136	4%	$507	16%	$571	18%	$1,059	33%	$157	5%
S. Milwaukee	$478	14%	$618	18%	$162	5%	$608	17%	$55	2%	$1,386	40%	$202	6%
Shorewood	$548	12%	$577	13%	$359	8%	$696	16%	$90	2%	$1,917	43%	$230	5%
St. Francis	$702	13%	$538	10%	$704	13%	$760	14%	$230	4%	$1,888	36%	$458	9%
Wauwatosa	$535	13%	$675	17%	$109	3%	$733	18%	$130	3%	$1,496	38%	$306	8%
West Allis	$600	16%	$552	15%	$128	4%	$689	19%	$279	8%	$1,145	31%	$266	7%
Whitefish Bay	$514	13%	$842	22%	$260	7%	$676	17%	$96	3%	$1,393	36%	$108	3%
Whitnall	$605	15%	$524	13%	$213	5%	$606	15%	$394	10%	$1,451	36%	$294	7%

Table 11A: Milwaukee County Suburban School Districts, Pupil Services/Instructional Staff and Administrative Functions Expenditures, 2009-10

District	Pupil Services & Instructional Staff		Administrative Functions	
	Per resident pupil	% of total support	Per resident pupil	% of total support
Brown Deer	$1,034	20%	$4,279	81%
Cudahy	$1,192	33%	$2,392	67%
Fox Point (K-8)	$1,860	29%	$4,578	71%
Franklin Public	$859	22%	$2,970	78%
Glendale-River Hills (K-8)	$1,768	34%	$3,501	66%
Greendale	$1,212	28%	$3,076	72%
Greenfield	$1,000	25%	$2,949	75%
Maple Dale-Indian Hill (K-8)	$1,423	21%	$5,278	79%
Nicolet (9-12)	$1,837	24%	$5,748	76%
Oak Creek-Franklin	$832	26%	$2,430	75%
S. Milwaukee	$1,096	31%	$2,413	69%
Shorewood	$1,125	26%	$3,292	75%
St. Francis	$1,240	24%	$4,040	77%
Wauwatosa	$1,210	30%	$2,774	70%
West Allis	$1,152	32%	$2,507	69%
Whitefish Bay	$1,356	35%	$2,533	65%
Whitnall	$1,129	28%	$2,958	72%

Chart 1A: Milwaukee County Suburban School Districts Peer Analysis: Support services Expenditures per Resident Pupil, 2009-10

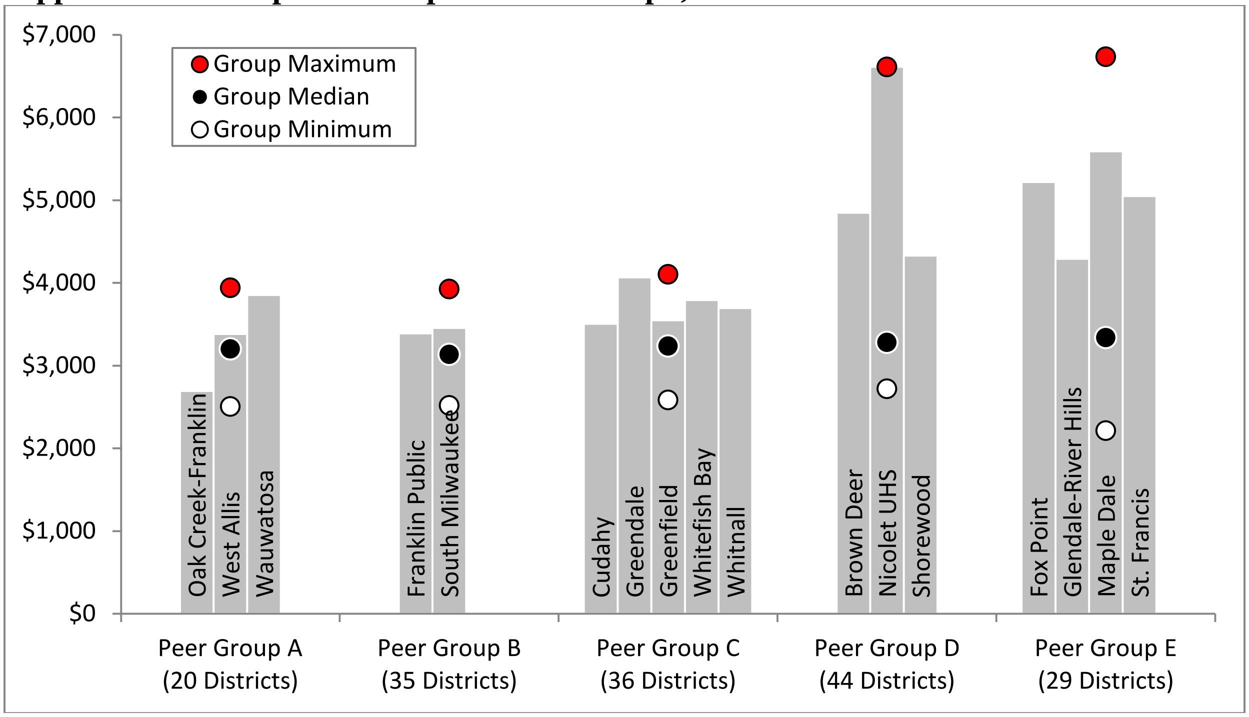


Chart 2A: Milwaukee County Suburban School Districts Peer Analysis: Support Services as Percentage of Total Expenditures, 2009-10

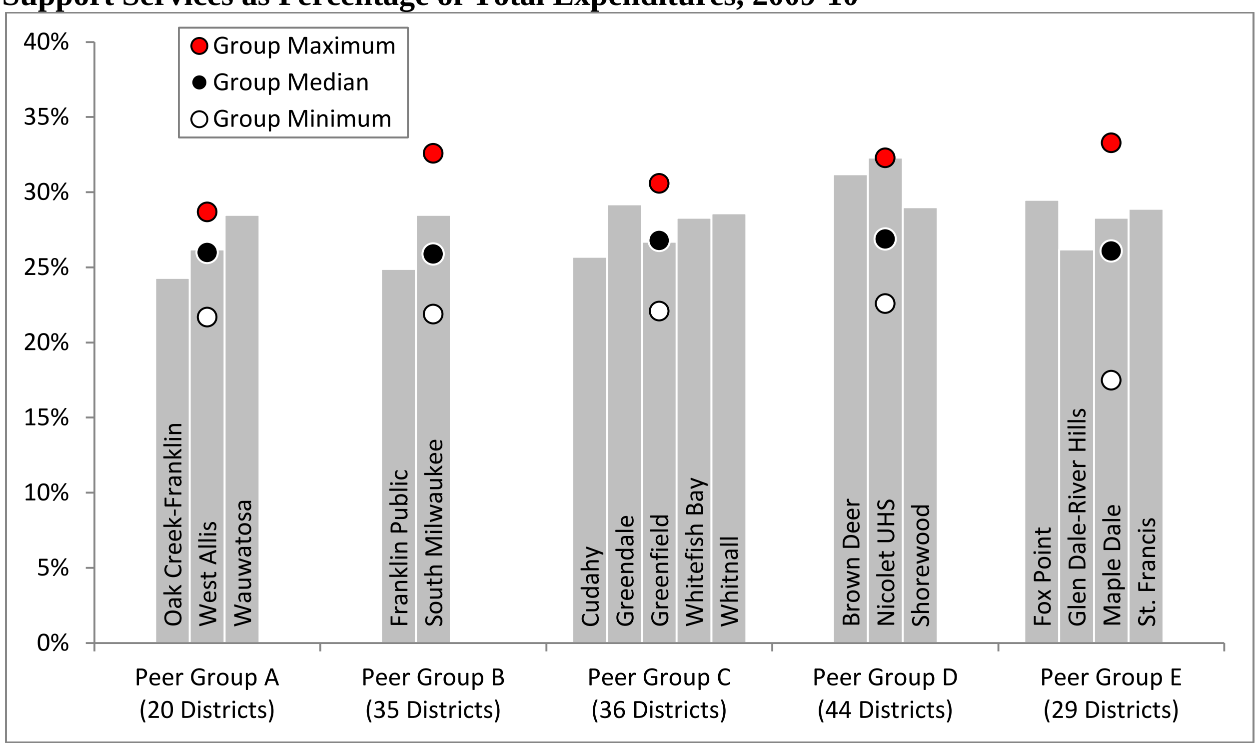


Chart 3A: Milwaukee County Suburban School Districts Peer Analysis: Pupil and Instructional Services Expenditures per Resident Pupil, 2009-10

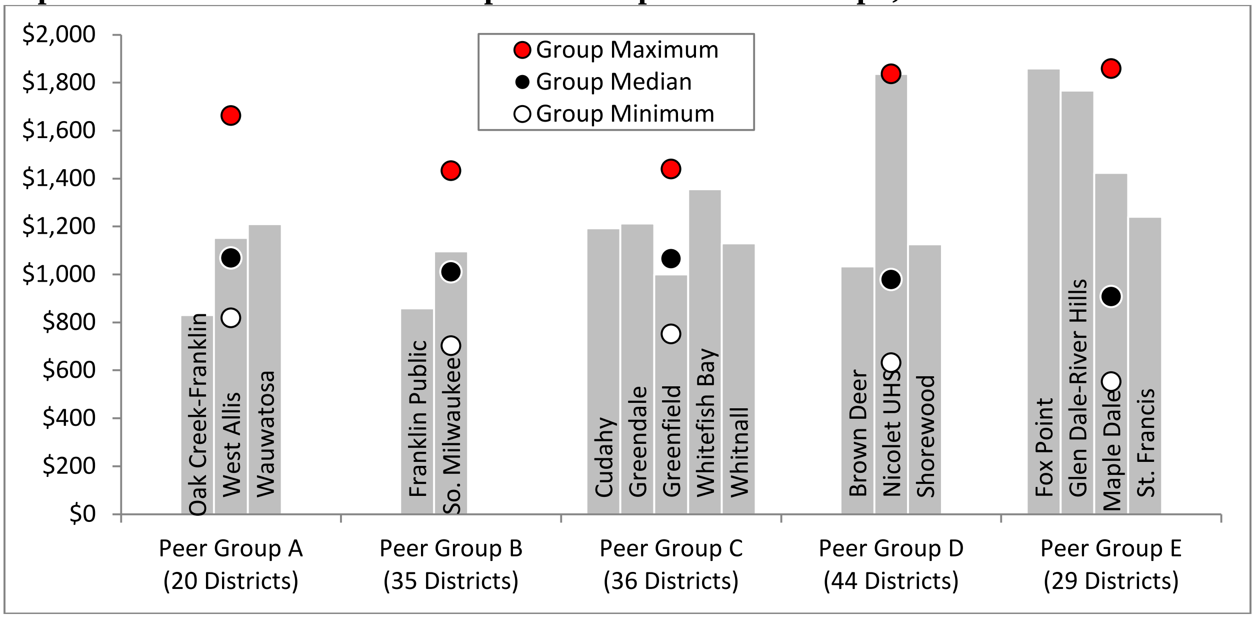
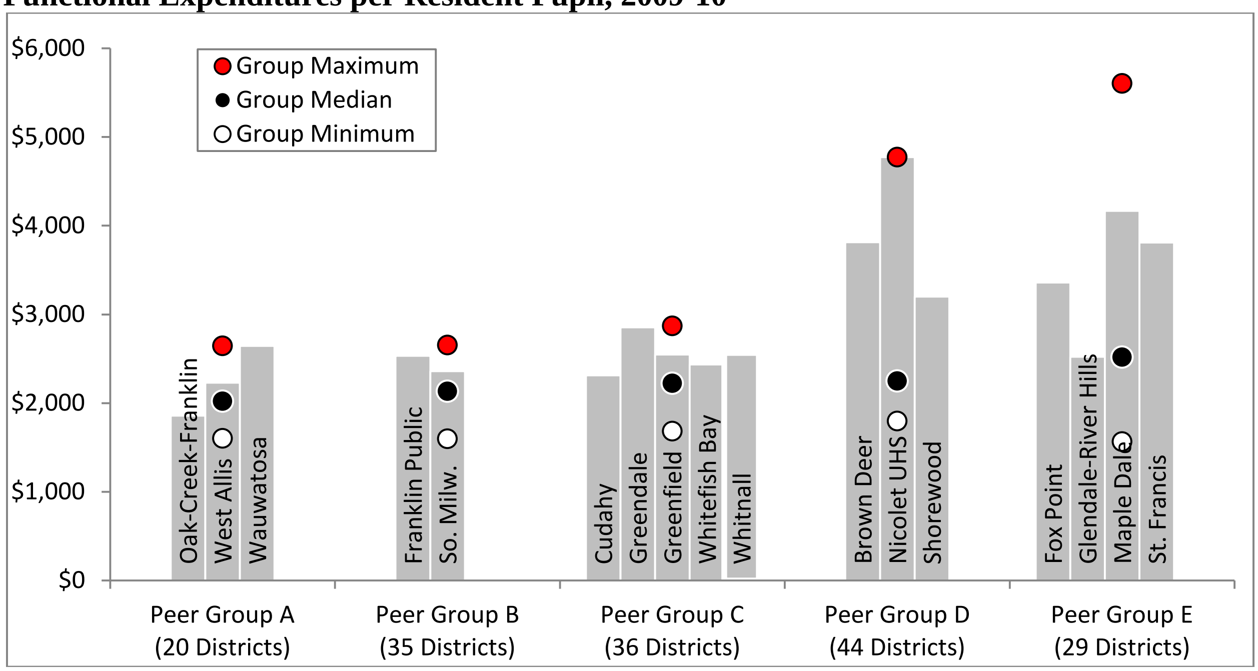


Chart 4A: Milwaukee County Suburban School Districts Peer Analysis: Administrative Functional Expenditures per Resident Pupil, 2009-10



APPENDIX B: DEFINITION OF TERMS

Enrollment: Two types of enrollment data are used: 1) the membership enrollment, which is the number of district resident full-time equivalency pupils enrolled on the third Friday in September, and 2) the total enrollment, which includes both resident and non-resident pupils.

Economically disadvantaged student: The status of students in families who meet the income eligibility guidelines for free or reduced-price lunch under the National School Lunch Program. To meet these guidelines, household income must be less than or equal to 185% of the Federal Poverty Guidelines.

Limited-English proficiency student: Any student whose first language, or whose parents' or guardians' first language, is not English and whose level of English proficiency requires specially designed instruction, either in English or in the first language or both, in order for the student to fully benefit from classroom instruction and to be successful in attaining the state's high academic standards expected of all students at their grade level.

Property tax rate: An equalized school tax rate, which makes it possible to compare the school tax efforts from one community to another. The equalized rate is the amount property taxpayers were charged in December 2009 (for the 2009-10 academic year) for each $1,000 of property value at full market value.

Property value per pupil: A measure of community wealth, this relates directly to Wisconsin's formula for calculating state aid to school districts. The numbers represent the tax base of the school district as measured by equalized taxable property values as of 2009-10. It is a reliable measurement for purposes of comparing the property wealth of school districts.

Students with disabilities: Students who are eligible for special education services by reason of their disabilities. Such students meet the definition of "children with disabilities" under the Individuals with Disabilities in Education Act

Support services expenditures: Out-of-classroom expenditures supported from general and special project funds for ongoing support operations. Spending is divided into six categories for the purposes of this report:

- Pupil services: activities in direct support of students involving social work, guidance, health, psychological services, speech pathology/audiology, attendance, occupational therapy, physical therapy, and other services.

- Instructional staff services: activities involving the improvement of instruction such as curriculum development and staff training, library media operations, and the supervision and coordination of athletics, special education, vocational education and other instructional staff services.

- General administration: activities at the district level involving the Board of Education and the Office of Superintendent including community relations and staff relations and negotiations.

- School building administration: activities involving supervision and coordination at individual schools such as provided by the principal's office.

- Business administration: activities involving fiscal operations such as budgeting, accounting, and payroll, as well as physical plant operations for land, buildings, and equipment, and including transportation, purchasing, warehousing, and other internal services.

- Central services: activities involving technology services, staff services, internal and public information, and research, analysis, and planning.