



# WISCONSIN POLICY FORUM

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## **A Scan of Service Sharing Possibilities for the City and County of Milwaukee**

*Study identifies areas of opportunity in administrative functions to realize savings, improve services*

There are promising possibilities for enhanced sharing or consolidation of administrative or “back office” services between Milwaukee County and the city of Milwaukee, according to a new Wisconsin Policy Forum analysis.

As they have grappled with serious fiscal challenges for more than a decade, service sharing remains a key area of largely untapped potential savings and improved operational efficiency for both governments. There also is overlap in several administrative functions performed by both governments, creating potential opportunities for service sharing to be considered.

For example, both the city and county hire, recruit, and certify new workers; administer pension and health care benefits and personnel policies; procure commodities and services; conduct various accounting, payroll, and budgeting tasks; manage buildings, facilities, and fleets of vehicles; and administer information technology.

Models in other communities have shown that sharing or merging functions or programs can produce fiscal savings and enhance service quality. Meanwhile, mounting challenges recruiting and retaining employees may be another consideration for Wisconsin’s largest city and county. As of summer 2023, both governments reported overall position vacancy rates in the 20% range.

“The two governments are now seeking to recruit and retain talent in an historically tight labor market – suggesting that collaborating on certain key functions may even be more of a human resources than a fiscal necessity,” the report suggests.

A newly enacted state law promises to greatly improve the fiscal condition of both governments by providing increased state aid and allowing for local-option sales taxes. However, the city and county’s budget pressures remain significant as structural operating budget challenges persist and capital improvement needs mount.

Given these and other factors, Milwaukee Mayor Cavalier Johnson and Milwaukee County Executive David Crowley asked the Forum to explore opportunities for sharing and consolidation of administrative services between the city and county of Milwaukee.

Our analysis looked at functional areas of city and county administrative services with the **greatest potential for collaboration** between the two governments. For each area, **the analysis focused on a set of four criteria** to gauge the potential for service sharing. They were similarity or lack of specialization in the nature, size, and administration of the function for each government; potential for efficiencies and/or savings; challenges in areas like staff recruitment and retention and

technology enhancement that might be alleviated; and potential for efficiency via greater centralization regardless of sharing opportunities.

We found four areas of city and county services that hold the highest promise for service sharing or consolidation: **payroll, procurement, facilities management, and fleet operations**. We also found two smaller sub-functions, **wellness and mowing**, that we think hold promise. Two additional areas, **information technology and human resources**, contain several sub-functions that we believe should also be considered.

In some of these areas – including payroll, procurement, fleet operations, and mowing – our recommendation includes **exploration of a potential full merger** of the entire area between the two governments. In others, we recommend getting started toward a potential pathway of enhanced collaboration that – at least in the near term – falls short of complete consolidation.

Other areas, such as auditing, general accounting, fiscal and budget, and benefits administration, were judged to hold less promise for service sharing or consolidation, at least in the near term.

This initial report is the first of a two-step process for considering back office service sharing possibilities. It is intended to be a broad review of administrative services at Milwaukee's city and county governments to determine where the greatest potential for back office service sharing exists – not a detailed analysis of the feasibility or implementation strategy for specific service sharing options.

Our findings will next be used by the leaders of those governments to determine which of the areas with high potential that are cited in the report will move on to a phase of more detailed analysis. That analysis also will be conducted by WPF with the input and assistance of city and county staff.

Moving forward with comprehensive forms of service sharing or consolidation takes considerable planning and negotiation – though in some cases, basic service sharing can be relatively easy to implement. Exploring such far-reaching change also requires “openness to major structural changes that could eliminate positions and upend longstanding policies and procedures,” the report notes.

“It is now up to officials from the two governments,” it says, “to decide if the areas we identify merit further analysis in a second phase of work that would aim to bring them from the conceptual stage to the doorstep of implementation.”

Click here to read the full report.

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