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Contact: Dale J. Knapp or Todd A. Berry
(608) 255-4581 or wistax@wistax.org**SMALL SCHOOL DISTRICTS FACE COST DISADVANTAGES****WISTAX Offers Comparative Data by District Size**

MADISON—The smallest school districts in the state have significant cost disadvantages compared to larger districts, according to a new report by the Wisconsin Taxpayers Alliance (WISTAX), a nonprofit, nonpartisan government-research organization. During the 1999-2000 school year, the smallest 37 K-12 districts (or 10%), with between 120 and 405 full-time equivalent students, spent an average of \$8,598 per student, 10% more than the state average of \$7,822. Districts with student populations between 1,415 and 1,900 spent the least, averaging \$7,405. The largest 17 districts also had above-average expenditures, at \$8,110 per student. According to Todd Berry, WISTAX President, “The report seems to indicate that, at least from a spending perspective, districts can be too small or too large.”

According to the new report, “Sizing Up School Districts,” an important reason for the large differences in per student spending is the cost of instruction. The largest 17 (\$5,212 per pupil) and the smallest 74 districts (\$5,327 for the smallest 10%, \$5,205 for the next 10%) have average instructional costs more than 5% above the state average of \$4,937. The largest districts tend to have more experienced teachers and higher pay scales, which raises their costs. The smallest districts tend to have smaller class sizes, which increases the amount spent on teacher pay and benefits per pupil.

Small districts also have cost disadvantages in administration and transportation. Per student administration costs in the smallest 20% of districts averaged more than \$850. The state average was \$651 and the 17 largest Wisconsin districts averaged only \$532. There are many administration costs that are similar in small and large districts—superintendent, business manager, etc. Large districts can spread these fixed costs over many students, while small districts cannot.

WISTAX researchers noted that many of the small-enrollment districts had large land areas. As a result, per student transportation costs were also much higher. The smallest 37 districts averaged \$490 per student on transportation, compared to \$254 for the largest 17 districts and a state average of \$355.

WISTAX researchers grouped 367 K-12 school districts (Milwaukee and Norris were excluded) into nine groups of 37 districts, or about 10% of the total in each group. The largest 34 districts were split

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in two because the largest, urban districts have many unique characteristics. Average district characteristics, such as demographics, revenues, state aid, spending and test scores, were then examined.

The WISTAX report details other significant differences between school districts of different sizes:

- Researchers found large staffing differences among the size groupings. Small districts had 63% more administrative staff per student than the large districts (0.57 per 100 students vs. 0.35). They also had 20% more teachers (8.3 per 100 students vs. 6.9). The smallest districts had 15.0 total staff per 100 students, compared to 12.4 in the largest districts, a difference of nearly 21%.
- Average income in the state's small districts was much lower than in large districts. Average adjusted gross income in the first three deciles (or groups of 10%) was \$27,659, \$30,649 and \$30,616. In the three groups containing the largest districts, the average was more than \$38,500.
- Property wealth, which is the basis for state equalization aid, varied somewhat among the size groups. Statewide, average equalized property value per student was \$341,689 in 2001. However, districts in the fourth, fifth and sixth deciles had between \$263,000 and \$278,000 per student, about 20% less.
- WISTAX researchers found little relationship between the size of school districts and test scores. Districts in the ninth decile and the 17 districts immediately above them consistently averaged the highest on the Wisconsin Knowledge and Concepts Exam. However, the report notes that these are among the richest districts in terms of income, and research has shown that family income is related to test scores.

For a free copy of the study, "Sizing Up School Districts," write the Wisconsin Taxpayers Alliance, 335 W. Wilson St., Madison, WI 53703-3694, e-mail wistax@wistax.org or visit www.wistax.org. □