

**Joint Legislative Committee on Performance
Evaluation and Expenditure Review (PEER)**

Report to
the Mississippi Legislature



Identifying Options for Improving the Efficiency of Mississippi's School Districts: Phase One

PEER received a legislative request to identify cost savings that could result if school districts were to implement shared service arrangements to improve efficiency. During the scoping phase, the Committee determined that the project would need to be conducted in two phases; this is the report of Phase One. In Phase Two, PEER will conduct a comprehensive efficiency review of selected school districts with the goal of identifying best practices that could be implemented by other districts with reasonable expectation of similar results.

Shared services arrangements focus on the consolidation of individual functions of two or more school districts in order to yield cost savings that could potentially be redirected to instruction without consolidating school districts or outsourcing the function. Although shared services arrangements could potentially encompass both instructional and non-instructional support functions, for the purposes of this report, PEER examined shared services arrangements only for non-instructional functions.

At the district level, school districts that wish to explore the option of shared services should individually select support functions through an efficiency assessment, such as a detailed decision tree analysis, based on the school district's needs. This report presents three possible mechanisms for districts to implement shared services should they choose to do so: boards of cooperative educational service, regional educational service agencies, or interlocal agreements between school districts. Although the Legislature would need to establish the boards of cooperative educational service mechanism in statute prior to implementation, the latter two options are already available to school districts in Mississippi.

A Deloitte Research study has noted that in most states sixty percent of school districts' expenditures are instructional, while forty percent of school districts' expenditures are for support functions. Using this observation as a conservative standard, if Mississippi implemented efficiency options such as shared services to achieve the goal of at least sixty percent of all school's budgets devoted to instructional support, the result would be approximately \$7.3 million that could, depending on the source of the funds, possibly be redirected to instruction.

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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November 12, 2013

Honorable Phil Bryant, Governor
Honorable Tate Reeves, Lieutenant Governor
Honorable Philip Gunn, Speaker of the House
Members of the Mississippi State Legislature

On November 12, 2013, the PEER Committee authorized release of the report entitled **Identifying Options for Improving the Efficiency of Mississippi's School Districts: Phase One.**

A handwritten signature in cursive script that reads "Ray Rogers".

Representative Ray Rogers, Chair

This report does not recommend increased funding or additional staff.

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Identifying Options for Improving the Efficiency of Mississippi's School Districts: Phase One

Executive Summary

Introduction

Initial Request to the PEER Committee

PEER received a legislative request to identify cost savings that could result if school districts were to establish shared services arrangements for certain functions or programs. This request was prompted by the legislator's interest in a Deloitte Research report entitled *Driving More Money into the Classroom: The Promise of Shared Services*.

Deloitte noted in its report that in most states, sixty percent of every dollar spent on education is used on instruction and forty percent is spent on support. Deloitte considered school districts with support expenditures higher than forty percent of total expenditures to be candidates for efficiency efforts such as shared services. According to the results of Deloitte's research, the most efficient school districts were those with enrollments of 2,000 to 4,000 students, with some smaller efficiency gains for districts with up to 6,000 students. (This did not take into account educational outcomes such as school district performance.)

PEER hypothesized that Mississippi would have similar results and that the information could be used to identify school districts of a similar size that would be the best possible candidates for implementing shared services arrangements to improve the districts' efficiency. Then PEER would be able to use data from the identified districts to estimate the amount of possible savings or cost avoidance that could be achieved at these particular districts through shared services arrangements.

PEER's Reframing of the Project

Using statewide district-level data obtained from the Mississippi Department of Education, PEER could not establish the same correlation in Mississippi between school district size and efficiency that Deloitte had found in its research. Thus PEER would need a different approach to determine which school districts would be the

best candidates for shared services arrangements and the amount of possible savings or cost avoidance that could be achieved. The implications of what PEER learned from its initial scoping necessitated dividing the project into two phases (see page x of this Executive Summary.).

Scope Limitations

PEER notes the following scope limitations in Phase One of this project:

- Phase One does not incorporate or determine any potential correlation of a district's efficiency as it relates to educational outcomes such as school district performance.
- Phase One focuses primarily on the potential for reducing *non-instructional* expenditures (i. e., support expenditures) and does not address any potential cost savings or cost avoidance that could result from shared services arrangements for *instructional* functions.

Background

Shared services arrangements take a specific function and share responsibility and decisionmaking for that function among two or more school districts, whereas *consolidation* combines functions for two or more school districts through the creation of a new school district, which results in a loss of direct supervision and decisionmaking for persons in those districts as they existed prior to consolidation. While *outsourcing* typically also focuses on a specific function, the school district contracts performance of the service out to a third-party provider.

Determining Criteria for Shared Services Implementation

School functions amenable to shared services may be divided into direct functions that provide services to students and indirect functions that provide services to staff or infrastructure. Direct functions include transportation, food service and nutrition, instructional, safety and security, and health services. Indirect functions include purchasing, finance and payroll, facilities and real estate, human resources, technology services and administration.

At the district level, school districts should individually select support functions through an efficiency assessment based on the school district's needs, such as a detailed decision tree analysis referenced within the Deloitte

research study (see Exhibit 2, page 13, of the report). PEER notes that in regard to the selection of support functions for possible shared services arrangements, what is appropriate for one district may not be appropriate for another.

School districts could use one of the following mechanisms to implement shared services arrangements:

- *Boards of Cooperative Educational Service*--These boards could provide member school districts with the opportunity to pool their resources to advance benefits to students, taxpayers, and educators. This mechanism would need to be created in statute and should establish a separate board that supervises the shared services function(s) for member school districts.
- *Regional Educational Service Agencies (RESAs)*--A regional educational service agency is a group of twelve or more school districts formed to pool their collective resources in order to provide more cost-efficient services to member districts. Mississippi law already provides authority for RESAs (MISS. CODE ANN. § 37-7-345 [1972]) and six are currently operating in the state. These entities presently provide services and programs to their member districts such as professional development, instructional materials, educational technology, and curriculum development.
- *Interlocal Agreements*--An interlocal agreement is a contract between two or more governmental units that work together to provide services to the public by sharing their budgets to reach a common goal that they might not be able to reach separately. Mississippi law has a provision for interlocal agreements (MISS. CODE ANN. § 17-13-1 [1972]), but the agreement must meet requirements set forth in the statute.

Determining Potential Candidates for Improving Efficiency in Mississippi's School Districts

As noted previously, the Deloitte study reported that in most states sixty percent of school districts' expenditures are for instruction, while forty percent of school districts' expenditure are for support functions. Using this observation as a conservative standard, if Mississippi implemented efficiency options such as shared services to achieve the goal of having at least sixty percent of all school districts' budgets devoted to instructional support, the result could be approximately \$7.3 million in funds that, depending on their source, could possibly be redirected to instruction. Efficiency goals that would drive

the percentage of instructional dollars even higher could significantly increase that figure.

Based on the work completed in Phase One of reviewing the potential for use of shared services in school districts, PEER believes that an efficient and robust screening procedure could be developed to identify school districts that could benefit from shared services arrangements by looking at the percentage of instructional spending to total expenditures, the total average operating cost per student, or by reviewing the cost per student for a specific support function or functions.

Next Steps in Identifying Options for Improved Efficiency of Mississippi's School Districts

Phase Two of PEER's Project

In Phase Two of PEER's project, which will commence in January 2014, PEER will:

- conduct a comprehensive efficiency review of selected school districts, basing that selection on screening criteria and methods described in this report;
- based on the results of the comprehensive efficiency review, identify best practices that are exhibited by districts with both low support expenditures and high academic performance in order to determine what actions or efforts (i. e., shared services arrangements or other efficiency efforts) these successful districts have implemented that could be implemented by other districts with reasonable expectation of similar results; and,
- present options to the Legislature for ensuring or encouraging other school districts to improve their efficiency through the use of shared services arrangements or other efficiency efforts identified in the comprehensive efficiency review.

Potential Options for Ensuring or Encouraging Improved School District Efficiency

The ultimate goal of school district efficiencies (not just shared services arrangements) would be cost savings or cost avoidance. Depending on their source, these funds could potentially be redirected into instruction.

*PEER notes that the Mississippi Commission on School District Efficiency recommended a targeted efficiency review of selected school districts in its August 2013 report.

School districts that could most benefit from efficiency improvements should determine, based on the results of Phase Two of this project, how to achieve efficiency improvements in accordance with their needs and preferences by implementing shared services arrangements, consolidation, outsourcing, or other efficiency efforts.

Ideally, school districts would want to operate more efficiently. However, should school districts not take the initiative to bring about improvements in efficiency, a range of potential options for ensuring or encouraging participation at the school district level could include incentives, penalties, and mandates. Examples of these options could include:

- grant funding for feasibility studies on improving the efficiency of a specific function (e. g., a specific shared services arrangement for transportation services);
- grant funding for start-up costs associated with new school district projects designed to improve efficiency;
- additional state funding for schools that exhibit efficiency improvements beyond a specified benchmark;
- reduction in state funding for school districts that fall below a specified benchmark (e. g., districts that spend below a specified percentage of total expenditures on instruction); or,
- legislative mandate that a district's instructional spending be at or above a specified percentage of total expenditures (e. g., Texas currently mandates that a specified percentage of total expenditures be spent for instructional purposes).

Recommendations Regarding Mechanisms with Which to Implement Shared Services Arrangements for School Districts

Should the Legislature choose to support implementation of shared services arrangements prior to completion of Phase Two, PEER has recommendations regarding each of the three possible mechanisms for implementation.

Prior to the completion of Phase Two and PEER's resulting report, the Legislature could take one or more of the following steps.

- Should the Legislature support the use of interlocal agreements to facilitate shared services arrangements, it could require the Department of Education to make

available on its website model agreements for shared services arrangements.

- Should the Legislature support the use of regional educational service agencies to facilitate shared services arrangements, the Legislature could amend MISS. CODE ANN. Section 37-7-345 (1972) to improve the transparency and accountability of regional educational service agencies. An example of such an accountability measure would be a requirement that regional educational service agencies provide both the Legislature and the Department of Education with copies of strategic plans, annual audited financial statements, and operating agreements entered into with respective member school districts identifying shared services provided and applicable goals or performance objectives.
- Should the Legislature support the use of boards of cooperative educational service to facilitate shared services arrangements, it should provide statutory authority that would allow two or more school districts to form boards of cooperative educational service with which to implement shared services arrangements.

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Identifying Options for Improving the Efficiency of Mississippi's School Districts: Phase One

Introduction

Authority

The PEER Committee conducted this review pursuant to the authority granted by MISS. CODE ANN. Section 5-3-51 et seq. (1972).

Problem Statement

Initial Request to the PEER Committee

PEER received a legislative request to identify cost savings that could result if school districts were to establish shared services arrangements for certain functions or programs. This request was prompted by the legislator's interest in a Deloitte Research report entitled *Driving More Money into the Classroom: The Promise of Shared Services*.¹

Deloitte noted in its report that in most states, sixty percent of every dollar spent on education is used on instruction and forty percent is spent on support. Deloitte considered school districts with support expenditures higher than forty percent of total expenditures to be candidates for efficiency efforts such as shared services. According to the results of Deloitte's research, the most efficient school districts were those with enrollments of 2,000 to 4,000 students, with some smaller efficiency gains for districts with up to 6,000 students. (This did not take into account educational outcomes such as school district performance.)

PEER hypothesized that Mississippi would have similar results and that the information could be used to identify school districts of a similar size that would be the best possible candidates for implementing shared services arrangements to improve the districts' efficiency. Then PEER would be able to use data from the identified districts to estimate the amount of possible savings or

¹Deloitte Research Group, *Driving More Money into the Classroom: The Promise of Shared Services*, 2005.

cost avoidance that could be achieved at these particular districts through shared services arrangements.

PEER's Reframing of the Project

Using statewide district-level data obtained from the Mississippi Department of Education, PEER could not establish the same correlation in Mississippi between school district size and efficiency that Deloitte had found in its research. Thus PEER would need a different approach to determine which school districts would be the best candidates for shared services arrangements and the amount of possible savings or cost avoidance that could be achieved. The implications of what PEER learned from its initial scoping necessitated dividing the project into two phases, as described in the following Scope and Purpose section.

Scope and Purpose

Phase One (This Report)

In Phase One of identifying options for improved efficiency of Mississippi's school districts (the results of which are presented in this report), PEER sought to address the following objectives:

- define shared services and describe how it could be utilized in education, noting potential benefits of or barriers to implementation;
- present criteria for selecting support functions that could be candidates for shared services arrangements and identify shared services models or related arrangements that could be implemented in Mississippi; and,
- estimate potential cost savings or cost avoidance that could be yielded from hypothetical implementation of shared services arrangements.

Phase Two (To be Completed in 2014)

In Phase Two of identifying options for improved efficiency of Mississippi's school districts, which will commence in January 2014, PEER will:

- conduct a comprehensive efficiency review of selected school districts, basing that selection on screening

criteria and methods described on page 20 of this Phase One report;²

- based on the results of the comprehensive efficiency review, identify best practices that are exhibited by districts with both low support expenditures and high academic performance in order to determine what actions or efforts (i. e., shared services arrangements or other efficiency efforts) these successful districts have implemented that could be implemented by other districts with reasonable expectation of similar results; and,
- present options to the Legislature for ensuring or encouraging other school districts to improve their efficiency through the use of shared services arrangements or other efficiency efforts identified in the comprehensive efficiency review.

Scope Limitations

PEER notes the following scope limitations in Phase One of this project:

- Phase One does not incorporate or determine any potential correlation of a district's efficiency as it relates to educational outcomes such as school district performance.
- Phase One focuses primarily on the potential for reducing *non-instructional* expenditures (i. e., support expenditures) and does not address any potential cost savings or cost avoidance that could result from shared services arrangements for *instructional* functions.

Method

In conducting this review, PEER:

- reviewed applicable state laws governing regarding interlocal agreements and regional educational service agencies;³

²PEER notes that the Mississippi Commission on School District Efficiency recommended a targeted efficiency review of selected school districts in its August 2013 report.

³MISS. CODE ANN. § 37-7-345 (1972) established *regional educational service agencies* in 2004 for the purpose of allowing school districts to pool their collective resources for the benefit of students, teachers, administrators, and taxpayers. Six regional educational service agencies currently operate within the state (see page 14). These regional agencies primarily provide professional training for teachers and administrators.

- reviewed relevant Attorney General's opinions;
- conducted a literature review on shared services, consolidation, and outsourcing;
- interviewed personnel and examined records of the Mississippi Department of Education regarding school districts' expenditures;
- interviewed personnel and examined records of Mississippi's regional educational service agencies;
- reviewed the United States Department of Education's state educational expenditure data;
- reviewed implementation of shared services in other states; and,
- conducted statistical analysis of the Mississippi Department of Education's expenditure data by school district.

Background

This chapter seeks to address the following objective:

- Define shared services and describe how it could be utilized in education, noting potential benefits of or barriers to implementation.

To address this objective, PEER answered the following questions:

- What is *shared services*?
- What distinguishes shared services from *consolidation* and *outsourcing*?

What is *shared services*?

***Shared services* arrangements focus on the consolidation of individual functions of two or more school districts in order to yield cost savings that could be potentially redirected to instruction without consolidating school districts or outsourcing the function.**

Shared services refers to the consolidation of individual functions previously used in multiple school districts. Consolidation of services allows school districts to reduce duplication of effort, share fixed costs, and, provide more services with limited resources. This provides an alternative to blanket consolidation of school districts, which may be politically unpopular, or outsourcing functions to private contractors, which would require carefully written contracts.

Shared services arrangements could potentially encompass both instructional and non-instructional support functions. However, for the purpose of this report, PEER staff examined only shared services arrangements for non-instructional functions.

Shared services opportunities for school districts may be divided into direct services to students and indirect services. Direct services to students include such support functions as transportation, food service and nutrition, safety and security, and health services. Indirect services include support functions such as purchasing, finance and payroll, facilities and real estate, human resources, technology services, and administration.

According to educational literature, there are many potential benefits to shared services arrangements. Such arrangements could reduce the cost of support functions by allowing two or more school districts to pool their resources. This cooperation could also result in greater purchasing power by increasing the size of school district

orders. Joint processes could be standardized and create more uniformity among districts. Additionally, pooling resources could grant a school district the additional funds needed to attract more highly qualified personnel to administer support functions. In contrast to school district consolidation and outsourcing, shared services arrangements could allow school districts to retain direct supervision and decisionmaking for support functions and reduce the likelihood of political opposition.

The primary potential barrier to shared services arrangements, according to educational literature, is resistance to change. If a school district is unfamiliar with the concept of shared services or is uncertain of the cost savings that could result, that school district might resist shared services arrangements. Similarly, lack of a local precedent could be a barrier to implementation, as well as uncertainty about start-up costs. Perceived lack of accountability in shared services arrangements could also be a barrier to implementation. Finally, lack of institutional support could also prevent school districts from entering into shared services arrangements.

What distinguishes shared services from *consolidation* and *outsourcing*?

Shared services arrangements take a specific function and share responsibility and decisionmaking for that function among two or more school districts, whereas *consolidation* combines functions for two or more school districts through the creation of a new school district, which results in a loss of direct supervision and decisionmaking for persons in those districts as they existed prior to consolidation. While *outsourcing* typically also focuses on a specific function, the school district contracts out the performance of the service to a third-party provider.

Shared services refers to the consolidation of individual functions previously used in multiple school districts whereby the responsibility and decisionmaking for that function are shared by the school districts. This provides an alternative to blanket consolidation of school districts, whereby functions are combined and each individual district loses oversight because of the creation of a new school district. Outsourcing refers to an arrangement whereby a specific function is contracted out to a third-party provider rather than the school or school district providing the service internally.

What is *school district consolidation*?

School district consolidation combines functions of two or more school districts with the goal of improving economic or educational benefits through creation of a new school district. School district consolidation can occur through voluntary action between two or more school districts, administrative consolidation by the Department of Education, or statutory consolidation by the Legislature.

School district consolidation combines functions of two or more school districts with the goal of improving economic or educational benefits through creation of a new school district. School consolidation can occur through voluntary action of two or more school districts, administrative consolidation by the Department of Education, or statutory consolidation by the Legislature. A board of education is chosen for the new consolidated school district and takes over the powers and responsibilities of the previous school district boards. The primary distinction between consolidation and shared services arrangements is that in consolidation, the local school districts lose direct supervision and decisionmaking for school functions through the creation of a new school board that governs all of the consolidated districts. In shared services arrangements, a specific function may be consolidated, but the local school districts share the oversight of the function.

According to educational literature, school district consolidation reduces overall cost of school expenditures. Since the consolidated district has more students, the consolidated district will have greater purchasing power than the individual school districts before they were merged. A larger district will standardize support functions. Consolidation also may be accompanied by an upgrade in facilities and educational offerings. Because the consolidated district has more students and teachers, it is able to provide a more comprehensive curriculum and specialized programs and services.

Relevant education literature has identified strong barriers to school consolidation. Communities and school districts may be resistant to such change and resistant to loss of direct supervision and decisionmaking. Consolidation may have a negative economic impact on local communities due to job losses caused by school closures. These school closures can also result in a loss of community identity if the school has operated in the area for a long period.

Another barrier to school district consolidation is parents' concern with educational outcomes. Also, consolidated school districts may be associated with longer student transportation time, less participation in school activities, and lower graduation rates. The combination of these

barriers creates strong political opposition to attempts to consolidate school districts.

The Legislature has recently consolidated the following school districts by statute:

- North Bolivar and Mound Bayou school districts will be merged into the North Bolivar Consolidated School District by 2014;
- West Bolivar, Shaw, and Benoit school districts will be merged into the West Bolivar Consolidated School District by 2014;
- Clay County and West Point school districts will be merged into the West Point Consolidated School District by 2015; and,
- Oktibbeha County and Starkville school districts will be merged into the Starkville Consolidated School District by 2015.

What is *outsourcing*?

Outsourcing refers to an arrangement whereby a specific function is contracted out to a third-party provider rather than the school or school district providing the service internally.

Outsourcing refers to an arrangement whereby a specific support function is contracted out to a third-party provider rather than the school or school district providing the service internally. The primary distinction between outsourcing and shared services arrangements is that when a function is outsourced, the school district retains limited control over the contractual agreement. In shared services arrangements, the local school districts would have more input and supervision over how the function is provided.

Potential outsourced services could include food and nutrition, transportation, security, custodial and maintenance service, technology, and other non-instructional support functions. According to interviews with regional educational service agency personnel, an example of a support function currently outsourced in Mississippi is the use of Fuelman for fuel purchasing for school district vehicles.

According to educational literature, the primary benefit of outsourcing support functions is the reduction of cost for the function(s). When functions are outsourced, school districts' fringe benefits costs for employees usually decrease because persons performing these functions are not enrolled in the state health plan or retirement system. Also, third-party agents that contract for these services focus on their particular field; therefore, outsourcing has the potential to provide higher quality service due to the provider's training or experience. Finally, since the

function is outsourced to a private for-profit enterprise, that company potentially offers better management and higher productivity of the outsourced support function.

The barriers of outsourcing support functions, according to educational literature, include concerns that outside employees may not be invested in the students. There is also a concern that employees hired for outsourced positions may have a high turnover rate if the private employer does not provide adequate salary and benefits.

Many school districts are also concerned with job losses associated with outsourcing support functions. School districts are often major employers in rural regions and while it is not the school district's purpose to provide employment, loss of jobs is usually not politically popular. School districts are also concerned because if they outsource a function, they do not directly supervise the completion of work. Finally, contracts are potentially long term and legally binding, and poor negotiation by a school district may lead to negative experiences or other problems.

The Mississippi Department of Education does not track whether school functions are outsourced or performed by the school districts. Therefore, PEER was unable to document what, if any, efficiency gains might be attributed to outsourcing in Mississippi.

Determining Criteria for Shared Services Implementation

This chapter seeks to address the following objective:

- Present criteria for selecting support functions that could be candidates for shared services arrangements and identify shared services models or related arrangements that could be implemented in Mississippi.

To address this objective, PEER answered the following questions:

- For what functions could shared services arrangements potentially yield improvements in efficiency?
- What criteria should be used to select support functions for shared services arrangements?
- What mechanisms could school districts use to implement shared services arrangements?

For what functions could shared services arrangements potentially yield improvements in efficiency?

School functions amenable to shared services may be divided into *direct* functions that provide services to students and *indirect* functions that provide services to staff or infrastructure. Direct functions include transportation, food service and nutrition, instructional, safety and security, and health services. Indirect functions include purchasing, finance and payroll, facilities and real estate, human resources, technology services and administration.

Shared services opportunities for school districts may be divided into direct services to students (such as instructional services and transportation) and indirect services to staff or infrastructure (such as purchasing and administration).

Deloitte Research reviewed school functions amenable to shared services in terms of fitness for sharing and cost savings potential. Deloitte based its review on a case study approach through a nationwide survey of shared services arrangements. Exhibit 1, page 11, lists the school functions reviewed by Deloitte.

Exhibit 1: Deloitte’s List of School Functions Amenable to Shared Services

Direct Functions (Services to Students)
Transportation
Food Service and Nutrition
Instruction
Safety and Security
Health Services
Indirect Functions (Services to Staff or Infrastructure)
Purchasing
Finance and Payroll
Facilities and Real Estate
Human Resources
Technology Services
Administration

SOURCE: Deloitte Research, *Driving More Money into the Classroom: The Promise of Shared Services*, 2005.

While the Deloitte review provides a general overview of what school functions would be potential candidates for shared services arrangements, a targeted efficiency review of school functions by individual function or targeted school districts would be needed to estimate the cost savings potential for each function within Mississippi’s school districts.

What criteria should be used to select support functions for shared services arrangements?

At the district level, school districts should individually select support functions through an efficiency assessment based on the school district’s needs, such as a detailed decision tree analysis referenced within the Deloitte Research study. PEER notes that in regard to the selection of support functions for possible shared services arrangements, what is appropriate for one district may not be appropriate for another.

Exhibit 1, page 11, lists direct and indirect services that could be considered for shared services arrangements. Of these functions, transportation would likely face the smallest amount of political opposition for a shared

services arrangement. School districts could share routes in a regional area, pool resources to purchase buses and fuel, and consolidate mechanics' workshops into a single location for a region. These cost savings would likely have a minimal impact on the local economy. For example, in Texas, the Bowie County Transportation Cooperative provides transportation services for all thirteen districts within the county. The cooperative was formed by interlocal agreement and is governed by a board consisting of the superintendents of the participating school districts.

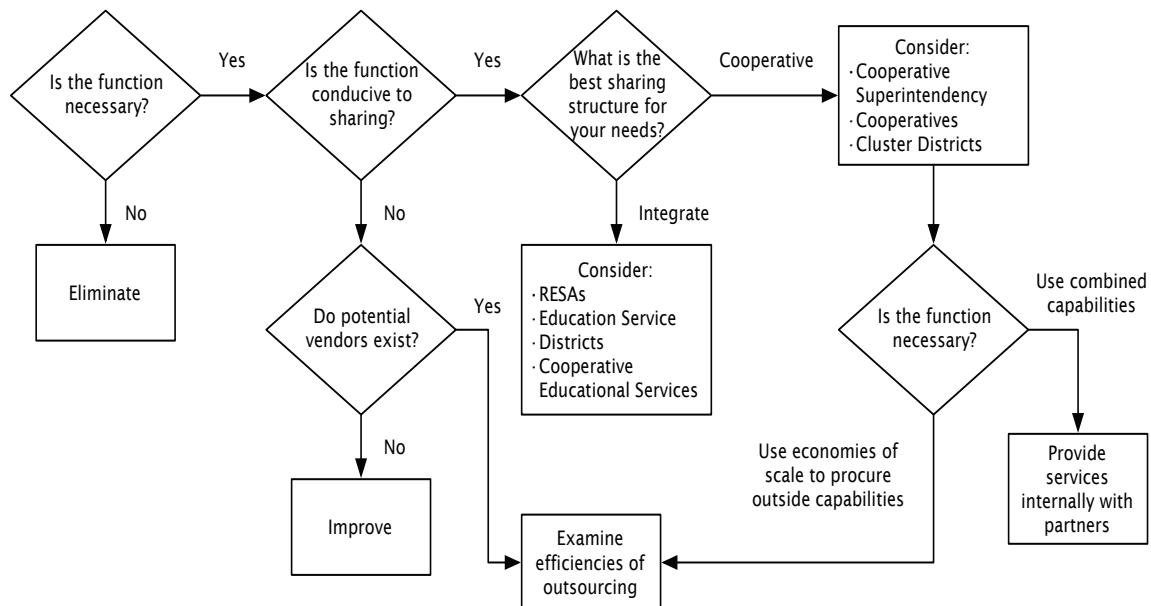
In contrast, a shared services arrangement for purchasing could face strong political opposition. School districts traditionally prefer to purchase goods from local suppliers. Purchasing from large nationwide sources could negatively impact the local economy where a school district could be a local supplier's primary source of income.

The functions of facilities and real estate could focus on collaboration with the private sector. For example, in Stockton, California, a local private fitness center and Lincoln Unified School District joined forces to build a new fitness facility. The district provided the land and the company paid for the building. The facility is only available to students during the school day, but the company's clients can use the building before and after school. This type of interaction cannot be assessed on a statewide level, but might be considered by individual school districts.

School districts and regional education service agencies (see page 14) should review each of these functions to determine if they are appropriate for that district. Exhibit 2, page 13, presents a decision tree from the Deloitte Research study that provides decisionmakers with one possible approach to determine whether a particular support function is a good candidate for a shared services arrangement.

School districts and regional service agencies should carefully review a function to determine whether that support function is amenable to sharing within their region. They also should conduct an efficiency analysis to ensure that the arrangement could produce cost savings.

Exhibit 2: Decision Tree to Determine Whether a Support Function is Appropriate for a Shared Services Arrangement



SOURCE: Deloitte Research, *Driving More Money into the Classroom: The Promise of Shared Services*, 2005.

What mechanisms could school districts use to implement shared services arrangements?

School districts could use one of three possible mechanisms to implement shared services arrangements: boards of cooperative educational service, regional educational service agencies, or interlocal agreements between school districts.

Boards of Cooperative Educational Service

Boards of cooperative educational service could provide member school districts with the opportunity to pool their resources to advance benefits to students, taxpayers, and educators. This mechanism would need to be created in statute and should establish a separate board that supervises the shared services function(s) for member school districts.

Boards of cooperative educational Service are an established and longstanding mechanism for shared services arrangements primarily used in the northeastern

region of the United States. New York first created these boards by law in 1948 as a mechanism to share services among rural school districts in New York. Colorado and New Jersey are also known for their use of these boards as a method for sharing services.

Boards of cooperative educational service are governed in the same manner as a local school district by a board of education. The board is composed of representatives from member districts who oversee the shared services arrangements. In the models currently used, state aid, membership fees, and a small amount of federal aid fund these cooperative boards. Membership fees must be paid every year but school districts are not obligated to purchase any service offered. In addition, these cooperative boards have no taxing authority.

In Mississippi, current law does not include authority for the board of cooperative educational service arrangement for shared services. (Regional educational service agencies and interlocal agreements, discussed in the following sections of this report, are currently available mechanisms through Mississippi law.) However, should the Legislature choose to allow two or more school districts to use this type of mechanism for shared services, it could specifically provide authority for boards of cooperative educational service in law. This type of arrangement would give the school districts involved a high degree of input and decisionmaking over the function chosen for shared services.

Regional Educational Service Agencies

A regional educational service agency is a group of twelve or more school districts formed to pool their collective resources in order to provide more cost-efficient services to member districts.

In 2004, the Mississippi Legislature created regional educational service agencies through MISS. CODE ANN. § 37-7-345 (1972). The purpose of creating these regional agencies was to allow school districts to share resources in order to provide more cost-efficient services to member districts.

In Mississippi, twelve or more school districts can form a regional educational service agency if the districts believe a benefit can be achieved by pooling resources. Each member school district's superintendent (or superintendent's designee) serves on the regional educational service agency advisory board. The advisory board is responsible for annually electing a board of directors.

The board of directors then hires an executive director to oversee day-to-day operations. Other responsibilities of the board of directors include: setting policy, employing

staff, determining programs or services to be offered to member districts, preparing and distributing the budget, and evaluating the performance of the regional agency.

MISS. CODE ANN. § 37-7-345 (1972) outlines broad statutory authority for a regional educational service agency. According to this section, regional educational services agencies shall:

- provide services and programs to their member districts (such as professional development, instructional materials, educational technology, curriculum development and alternative educational programs) as identified and requested by member districts;
- provide for economy, efficiency, and cost effectiveness in the purchase or lease of educational services, materials and products (through purchasing cooperatives, insurance cooperatives, business management services, auditing and accounting services, school safety/risk prevention, data processing and student records);
- provide administrative services (such as communications or public information, employee background checks, grants management, printing, and internships);
- provide educational services through leadership, research, and development;
- cooperate and support the development and implementation of long-range plans, strategies and goals for member districts; and,
- serve, when appropriate, as a repository, clearinghouse, and administrator of federal, state, local, and private funds for districts that choose to participate in special programs, projects, or grants.

The Mississippi Department of Education has the authority to contract with and provide funds to these regional agencies for any education-related service. The six regional educational service agencies that currently operate within Mississippi are:

- North Mississippi Education Consortium;
- Delta Area Association for Improvement of Schools;
- Southwest Mississippi Education Consortium;
- East Mississippi Center for Education Development;
- South Central Mississippi Consortium; and,
- Gulf Coast Education Initiative Consortium.

Currently, the largest staff of a regional educational service agency is four full-time employees and two part-time employees. These entities presently provide services and programs to their member districts such as professional development, instructional materials, educational technology, and curriculum development.

Interlocal Agreements

An interlocal agreement is a contract between two or more governmental units that work together to provide services to the public by sharing their budgets to reach a common goal that they might not be able to reach separately.

MISS. CODE ANN. § 17-13-1 (1972) et seq. details the requirements of the state's interlocal agreement act. Interlocal agreements allow two or more local governmental units to work together to provide services to the public by sharing their budgets to reach a common goal that they might not be able to reach separately. Since local government units include school districts, this mechanism could be used to create shared services arrangements to provide support functions.

Under the statute, any power, authority, or responsibility exercised or capable of being exercised by a school district can be shared with any other school district of this state. This broad grant of powers is limited by preventing the elimination of an elected position without an election first being called to address the question of elimination.

The act requires a written contract that must be approved by a resolution on the minutes of each party to the contract. To be valid, this contract must include:

- the duration of the agreement;
- the purpose or purposes of the agreement;
- the organization, nature, and powers of any separate legal or administrative entity created by the agreement;
- a specific citation of statutory authority vested in each of the units that is to be a party to the agreement;
- the manner in which the financing, staffing, supplying, and budget of the undertaking will be managed;
- methods to partial or completely terminate or amend the agreement that provide for the distribution of property upon such partial or complete termination or amendment;
- the administration of the undertaking if no separate legal or administrative entity is created;
- the manner of acquiring, holding, and disposing of property used in the undertaking; and,
- any other necessary and proper matters.

In order to validate an interlocal agreement, school districts would first need to submit the agreement to the Attorney General, who would then determine whether the agreement is in proper form and complies with the laws of the state. This form must include the specific statutory authority granting the powers necessary for school districts that are parties to the agreement to exercise the powers necessary to implement the agreement. The Attorney General would be required to respond within sixty days.

If the Attorney General found that the agreement was not in proper form or did not comply with the laws of the state, he would detail in writing the noncompliant aspects of the agreement to all the school districts that are parties to the agreement.

If the Attorney General accepted the agreement or failed to respond within the sixty-day period, the agreement would be legally binding on the school districts that sign the agreement. School districts would then be required to file the agreement with the Secretary of State and the chancery clerk of each county in which a party to the agreement is located.

Determining Potential Candidates for Improving Efficiency in Mississippi's School Districts

This chapter seeks to address the following objective:

- Estimate potential cost savings or cost avoidance that could be yielded from hypothetical implementation of shared services arrangements.

To address this objective, PEER answered the following questions:

- Based on a hypothetical implementation of shared services or other efficiency arrangements, what would be the estimated cost savings that could potentially be redirected into instructional expenditures?
- What methods could be used to screen school districts at the state level to determine whether they would benefit from shared services arrangements?

As noted previously, a central thesis of the Deloitte study of the potential of using shared services to enhance school district efficiency is that there is an established relationship between school efficiency and school size, with very large and very small districts typically being less efficient than more optimally sized schools. In an attempt to use this thesis as the basis for studying shared services potential in Mississippi, PEER first attempted to replicate the size/efficiency relationship suggested by Deloitte using Mississippi data, with the goal of determining whether Mississippi school district's instructional expenditures correlated to school district size.

To do so, PEER collected statewide school district expenditure data from the Mississippi Department of Education detailing the average daily attendance and cost per student for each district. PEER then conducted a Pearson's R test and obtained a correlation of .27 between expenditures per student and school size. This absence of significant correlation forced PEER to rethink its approach to selecting school districts and functions amenable to shared services arrangements.

As described on page 22, PEER ultimately determined that a comprehensive efficiency review of specific support functions or specific schools, school districts, or geographic areas would be necessary in Phase Two of this project to estimate more accurately the potential cost savings or cost avoidance of using shared services arrangements. While shared services arrangements may be one option for redirecting existing funding into instructional expenditures, similar efficiency

improvements could also be yielded from other efforts that might be identified in Phase Two.

Based on a hypothetical implementation of shared services or other efficiency arrangements, what would be the estimated cost savings that could potentially be redirected into instructional expenditures?

The Deloitte study noted that in most states sixty percent of school districts' expenditures are instructional, while forty percent of school districts' expenditures are for support functions. Using this observation as a conservative standard, if Mississippi implemented efficiency options such as shared services to achieve the goal of at least sixty percent of all school districts' budgets devoted to instructional support, the result would be approximately \$7.3 million that, depending on the source, could possibly be redirected to instruction. Efficiency goals that would drive the percentage of instructional dollars even higher could significantly increase that figure.

PEER approximated the potential for redirection of monies yielded from cost savings from implementation of shared services or similar arrangements by first determining the percentage of instructional spending to total expenditures for each school district within in the state. (See Appendix A, page 25.) Appendix A shows each school district's total expenditures, instructional expenditures, and percentage of instructional expenditures. This percentage was obtained by dividing the instructional expenditures by total expenditures. The resulting number was then multiplied by one hundred to provide the percentage.

The Deloitte Research study noted that in most states sixty percent of every dollar spent on education is used on instruction. This figure serves a hypothetical benchmark for instructional spending. PEER identified school districts that fell below the sixty percent instructional spending goals. PEER multiplied total expenditures of those districts by sixty percent and then subtracted their actual instructional expenditures. The remaining number represented additional funds potentially available for instruction if the sixty percent goal was met. PEER did not incorporate or determine any potential correlation to education outcomes.

If all school districts within the state were to meet the sixty percent instructional spending goal, then approximately \$7.3 million in current funding could possibly be redirected to instruction in those school districts with instructional spending below sixty percent of total expenditures. (See Appendix B, page 29.) These funds could become available through implementing shared services arrangements, outsourcing, or consolidation, depending on the causes of the inefficiencies found in Phase Two of PEER's project.

What methods could be used to screen school districts at the state level to determine whether they would benefit from shared services arrangements?

Based on the work completed in Phase One of reviewing the potential for use of shared services in school districts, PEER believes that an efficient and robust screening procedure could be developed to identify school districts that can benefit from shared services arrangements by looking at the percentage of instructional spending to total expenditures, the total average operating cost per student, or by reviewing the cost per student for a specific support function or functions.

Because no direct correlation between school district size and cost savings could be determined to identify an optimal efficiency range based on the Deloitte hypothesis, PEER looked for an alternative method to identify school districts that could benefit from shared services arrangements. The method having the greatest potential involves the use of the percentage of instructional expenditures to total expenditures as a starting point in evaluating which districts may benefit from shared services. The statewide average for instructional spending is sixty-six percent. (See Appendix A, page 25.) PEER did not incorporate or determine any potential correlation to educational outcomes based on the information within the appendices regarding instructional or other expenditures.

School districts could be selected either based on the lowest percentage of instructional spending to select schools that may most benefit from efficiency improvements or on the highest percentage of instructional spending in order to identify best practices or efficiency standards that could then be implemented in other districts. Such strategies are suggested by the observation that the range of non-instructional spending per student is quite high, the correlation between spending and school size is quite low, and the educational arena itself is marked by significant uniformities in process. This is not to say that some variance cannot be justified, but that could only be revealed through a hands-on study of efficiency in Phase Two. Being selected by this method does not mean that the school or district would be necessarily inefficient, but lying outside the norm would make it worthy of study.

To look at the problem from a slightly different perspective, PEER also reviewed the cost per student for operations for all school districts in the state. The cost per student was calculated by dividing total school district expenditures by average daily attendance. This calculation allows for broad expenditure comparisons between all school districts. (See Appendix C, page 30.)

School districts could be selected either based on the highest cost per student to select schools that might

benefit from efficiency improvement or based on the lowest cost per student to identify best practices or efficiency standards that could be implemented in other districts with higher cost per student. In either case, the per-pupil cost indicator would need to be considered in tandem with indicators of school or district academic success.

Another approach to exploring the elements of efficiency would be to take a specific support function and search for school districts with higher or lower costs per student in a particular area in comparison to other school districts. (See Appendix D, page 34.)

Each of these approaches to screening would yield different potential school districts as candidates that could serve as a starting point for determining whether shared services arrangements could be beneficial. A function amenable to a shared services arrangement would be selected from Exhibit 1, page 11, as the focus of the targeted efficiency review in Phase Two. The recent statutorily consolidated school districts listed on page 8 would not be ideal starting candidates for a future efficiency review with a focus specific to shared services arrangements since they are in the process of being consolidated.

Next Steps in Identifying Options for Improved Efficiency of Mississippi's School Districts

Phase Two of PEER's Project

Phase Two will include a comprehensive efficiency review of selected school districts, with the goal of identifying best practices.

As noted on page 2 of this report, in Phase Two of identifying options for improved efficiency of Mississippi's school districts, which will commence in January 2014, PEER will:

- conduct a comprehensive efficiency review of selected school districts, basing that selection on screening criteria and methods described in this report;⁴
- based on the results of the comprehensive efficiency review, identify best practices that are exhibited by districts with both low support expenditures and high academic performance in order to determine what actions or efforts (i. e., shared services arrangements or other efficiency efforts) these successful districts have implemented that could be implemented by other districts with reasonable expectation of similar results; and,
- present options to the Legislature for ensuring or encouraging other school districts to improve their efficiency through the use of shared services arrangements or other efficiency efforts identified in the comprehensive efficiency review.

Potential Options for Ensuring or Encouraging Improved School District Efficiency

Ideally, school districts would want to operate more efficiently. However, should school districts not take the initiative to improve efficiency, Phase Two will include a range of potential options for ensuring or encouraging participation at the school district level. These options could include incentives, penalties, and mandates.

The ultimate goal of school district efficiencies (not just shared services arrangements) would be cost savings or cost avoidance. Depending on their source, these funds could potentially be redirected into instruction.

⁴PEER notes that the Mississippi Commission on School District Efficiency recommended a targeted efficiency review of selected school districts in its August 2013 report.

School districts that could most benefit from efficiency improvements should determine, based on the results of Phase Two of this project, how to achieve efficiency improvements in accordance with their needs and preferences by implementing shared services arrangements, consolidation, outsourcing, or other efficiency efforts.

Ideally, school districts would want to operate more efficiently. However, should school districts not take the initiative to bring about improvements in efficiency, a range of potential options for ensuring or encouraging participation at the school district level could include incentives, penalties, and mandates. Examples of these options could include:

- grant funding for feasibility studies on improving the efficiency of a specific function (e. g., a specific shared services arrangement for transportation services);
- grant funding for start-up costs associated with new school district projects designed to improve efficiency;
- additional state funding for schools that exhibit efficiency improvements beyond a specified benchmark;
- reduction in state funding for school districts that fall below a specified benchmark (e. g., districts that spend below a specified percentage of total expenditures on instruction); or,
- legislative mandate that a district's instructional spending be at or above a specified percentage of total expenditures (e. g., Texas currently mandates that a specified percentage of total expenditures be spent for instructional purposes).

Recommendations Regarding Mechanisms with Which to Implement Shared Services Arrangements for School Districts

Should the Legislature choose to support implementation of shared services arrangements prior to completion of Phase Two, PEER has recommendations regarding each of the three possible mechanisms for implementation.

Prior to the completion of Phase Two and PEER's resulting report, the Legislature could take one or more of the following steps to support school districts' implementation of shared services arrangements.

- Should the Legislature support the use of interlocal agreements to facilitate shared services arrangements,

it could require the Department of Education to make available on its website model agreements for shared services arrangements.

- Should the Legislature support the use of regional educational service agencies to facilitate shared services arrangements, the Legislature could amend MISS. CODE ANN. Section 37-7-345 (1972) to improve the transparency and accountability of regional educational service agencies. An example of such an accountability measure would be a requirement that regional educational service agencies provide both the Legislature and the Department of Education with copies of strategic plans, annual audited financial statements, and operating agreements entered into with respective member school districts identifying shared services provided and applicable goals or performance objectives.
- Should the Legislature support the use of boards of cooperative educational service to facilitate shared services arrangements, it should provide statutory authority that would allow two or more school districts to form boards of cooperative educational service with which to implement shared services arrangements.

Appendix A: Percentage of Total School District Expenditures Spent on Instruction for the 2011-12 School Year

This appendix presents the percentage of instructional expenditures of total expenditures for Mississippi school districts for the 2011-12 school year. As noted in this report, this information may serve as a screening tool with which to select school districts with a low percentage of instructional spending that could benefit from efficiency improvements or school districts with a high percentage of instructional spending in order to identify best practices or efficiency standards that could be implemented in other districts. Efficiency improvements might be achieved by shared services arrangements, school district consolidation, outsourcing, or other efforts.

This appendix does not attempt to determine any potential correlation of expenditures with educational outcomes.

District	Expenditures	Total Instruction	Percentage of Instructional Spending
ABERDEEN SCHOOL DIST	\$13,633,935.72	\$8,486,903.10	62%
ALCORN SCHOOL DIST	\$29,293,783.40	\$20,872,468.62	71%
AMITE CO SCHOOL DIST	\$10,600,715.39	\$7,113,871.95	67%
AMORY SCHOOL DIST	\$14,867,260.33	\$9,290,018.79	62%
ATTALA CO SCHOOL DIST	\$10,962,191.38	\$6,871,448.15	63%
BALDWIN SCHOOL DIST	\$7,254,130.54	\$4,760,749.09	66%
BAY ST LOUIS WAVELAND SCHOOL DIST	\$24,450,251.60	\$13,277,174.27	54%
BENOIT SCHOOL DIST	\$3,803,476.03	\$2,201,897.45	58%
BENTON CO SCHOOL DIST	\$11,281,214.41	\$6,879,227.39	61%
BILOXI PUBLIC SCHOOL DIST	\$51,186,243.23	\$33,312,800.07	65%
BOONEVILLE SCHOOL DIST	\$10,102,299.00	\$7,358,384.17	73%
BROOKHAVEN SCHOOL DIST	\$25,495,590.02	\$15,916,387.45	62%
CALHOUN CO SCHOOL DIST	\$19,276,617.08	\$12,319,035.51	64%
CANTON PUBLIC SCHOOL DIST	\$27,899,226.05	\$18,067,910.57	65%
CARROLL COUNTY SCHOOL DIST	\$8,714,799.81	\$5,523,952.81	63%
CHICKASAW CO SCHOOL DIST	\$4,481,045.68	\$3,112,436.36	69%
CHOCTAW CO SCHOOL DIST	\$15,039,292.60	\$9,863,291.17	66%
CLAIBORNE CO SCHOOL DIST	\$17,349,015.89	\$11,633,071.65	67%
CLARKSDALE MUNICIPAL SCHOOL DIST	\$30,150,961.30	\$21,315,280.49	71%
CLAY CO SCHOOL DIST	\$2,222,532.48	\$1,171,705.69	53%
CLEVELAND SCHOOL DIST	\$33,734,708.83	\$20,749,328.60	62%
CLINTON PUBLIC SCHOOL DIST	\$34,121,730.40	\$21,008,452.91	62%
COAHOMA CO AHS	\$2,558,555.16	\$1,675,857.85	66%

District	Expenditures	Total Instruction	Percentage of Instructional Spending
COAHOMA COUNTY SCHOOL DIST	\$15,542,572.57	\$10,199,644.74	66%
COFFEEVILLE SCHOOL DIST	\$6,273,720.16	\$3,832,328.10	61%
COLUMBIA SCHOOL DIST	\$14,904,010.44	\$10,456,346.93	70%
COLUMBUS MUNICIPAL SCHOOL DIST	\$39,122,860.27	\$26,168,255.96	67%
COPIAH CO SCHOOL DIST	\$19,985,114.72	\$13,017,035.42	65%
CORINTH SCHOOL DIST	\$18,495,136.83	\$13,312,612.43	72%
COVINGTON CO SCHOOLS	\$25,724,892.50	\$16,838,429.13	65%
DESOTO CO SCHOOL DIST	\$208,669,629.81	\$139,049,615.27	67%
DREW SCHOOL DIST	\$5,217,519.18	\$3,359,059.28	64%
DURANT PUBLIC SCHOOL DIST	\$4,386,810.51	\$2,993,533.30	68%
EAST JASPER CONSOLIDATED SCH DIST	\$9,976,628.90	\$5,496,414.37	55%
EAST TALLAHATCHIE CONSOL SCH DIST	\$11,146,316.30	\$7,767,228.97	70%
ENTERPRISE SCHOOL DIST	\$6,878,634.83	\$4,754,248.75	69%
FOREST MUNICIPAL SCHOOL DIST	\$12,344,085.25	\$7,991,253.96	65%
FORREST COUNTY AG HIGH SCHOOL	\$5,018,047.14	\$3,561,725.23	71%
FORREST COUNTY SCHOOL DIST	\$21,518,988.19	\$14,034,516.18	65%
FRANKLIN CO SCHOOL DIST	\$13,699,227.05	\$9,100,674.82	66%
GEORGE CO SCHOOL DIST	\$28,696,303.97	\$19,882,168.27	69%
GREENE COUNTY SCHOOL DIST	\$20,178,222.56	\$12,158,993.48	60%
GREENVILLE PUBLIC SCHOOLS	\$48,173,023.95	\$32,306,371.01	67%
GREENWOOD PUBLIC SCHOOL DIST	\$24,280,497.72	\$15,259,725.13	63%
GRENADA SCHOOL DIST	\$32,139,283.41	\$21,767,945.11	68%
GULFPORT SCHOOL DIST	\$50,906,248.59	\$34,460,609.66	68%
HANCOCK CO SCHOOL DIST	\$33,689,408.39	\$22,050,347.53	65%
HARRISON CO SCHOOL DIST	\$106,477,133.60	\$71,139,180.26	67%
HATTIESBURG PUBLIC SCHOOL DIST	\$48,328,780.15	\$31,406,866.54	65%
HAZLEHURST CITY SCHOOL DIST	\$14,901,363.01	\$9,808,983.90	66%
HINDS CO AHS	\$2,681,641.81	\$2,458,770.95	92%
HINDS CO SCHOOL DIST	\$51,351,797.70	\$31,440,026.82	61%
HOLLANDALE SCHOOL DIST	\$9,224,453.70	\$6,440,308.83	70%
HOLLY SPRINGS SCHOOL DIST	\$13,957,202.98	\$8,982,604.68	64%
HOLMES CO SCHOOL DIST	\$28,932,104.26	\$19,539,524.66	68%
HOUSTON SCHOOL DIST	\$14,830,787.52	\$10,228,789.37	69%
HUMPHREYS CO SCHOOL DIST	\$14,317,348.11	\$9,219,942.04	64%
INDIANOLA SCHOOL DIST	\$19,627,439.82	\$13,813,868.45	70%
ITAWAMBA CO SCHOOL DIST	\$25,630,156.76	\$17,431,984.08	68%
JACKSON CO SCHOOL DIST	\$70,473,863.28	\$47,943,441.24	68%
JACKSON PUBLIC SCHOOL DIST	\$270,048,984.73	\$182,829,728.79	68%
JEFFERSON CO SCHOOL DIST	\$12,443,717.42	\$8,011,167.96	64%
JEFFERSON DAVIS CO SCHOOL DIST	\$16,905,329.78	\$9,394,441.96	56%
JONES CO SCHOOL DIST	\$66,164,754.11	\$44,217,703.41	67%
KEMPER CO SCHOOL DIST	\$11,956,330.82	\$7,386,830.73	62%
KOSCIUSKO SCHOOL DIST	\$16,026,878.63	\$10,980,182.02	69%
LAFAYETTE CO SCHOOL DIST	\$20,693,037.32	\$14,391,759.07	70%

District	Expenditures	Total Instruction	Percentage of Instructional Spending
LAMAR COUNTY SCHOOL DIST	\$70,424,301.04	\$49,740,403.92	71%
LAUDERDALE CO SCHOOL DIST	\$49,991,345.69	\$35,066,859.34	70%
LAUREL SCHOOL DIST	\$27,276,136.84	\$18,945,639.47	69%
LAWRENCE CO SCHOOL DIST	\$18,461,511.57	\$12,296,530.93	67%
LEAKE CO SCHOOL DIST	\$24,393,253.25	\$15,538,465.24	64%
LEE COUNTY SCHOOL DIST	\$54,276,701.85	\$37,235,773.38	69%
LEFLORE CO SCHOOL DIST	\$26,086,611.48	\$17,049,432.53	65%
LELAND SCHOOL DIST	\$9,606,063.75	\$6,240,106.35	65%
LINCOLN CO SCHOOL DIST	\$19,674,498.81	\$13,141,333.90	67%
LONG BEACH SCHOOL DIST	\$23,370,324.99	\$15,583,894.60	67%
LOUISVILLE MUNICIPAL SCHOOL DIST	\$23,813,847.32	\$15,744,001.47	66%
LOWNDES CO SCHOOL DIST	\$45,401,172.09	\$29,471,948.31	65%
LUMBERTON PUBLIC SCHOOL DIST	\$6,448,384.90	\$4,245,879.28	66%
MADISON CO SCHOOL DIST	\$98,296,198.61	\$65,268,767.41	66%
MARION CO SCHOOL DIST	\$20,210,558.82	\$13,888,084.44	69%
MARSHALL CO SCHOOL DIST	\$24,483,918.84	\$16,211,915.91	66%
MCCOMB SCHOOL DIST	\$24,884,105.27	\$16,598,817.83	67%
MERIDIAN PUBLIC SCHOOL DIST	\$57,110,872.63	\$39,194,102.75	69%
MONROE CO SCHOOL DIST	\$20,587,588.49	\$12,510,454.62	61%
MONTGOMERY CO SCHOOL DIST	\$4,539,118.41	\$3,010,156.43	66%
MOSS POINT SEPARATE SCHOOL DIST	\$30,455,151.21	\$18,321,516.64	60%
MOUND BAYOU PUBLIC SCHOOL	\$5,245,143.85	\$3,224,641.25	61%
NATCHEZ-ADAMS SCHOOL DIST	\$39,275,909.26	\$25,759,434.82	66%
NESHOBA COUNTY SCHOOL DIST	\$23,973,397.11	\$16,124,895.71	67%
NETTLETON SCHOOL DIST	\$10,246,949.03	\$6,891,243.92	67%
NEW ALBANY PUBLIC SCHOOLS	\$17,858,566.55	\$12,369,437.39	69%
NEWTON COUNTY SCHOOL DIST	\$15,246,675.69	\$10,719,564.49	70%
NEWTON MUNICIPAL SCHOOL DIST	\$9,342,401.50	\$6,270,464.34	67%
NORTH BOLIVAR SCHOOL DIST	\$7,273,243.12	\$4,818,275.60	66%
NORTH PANOLA SCHOOLS	\$16,972,398.49	\$11,590,447.55	68%
NORTH PIKE SCHOOL DIST	\$15,871,633.76	\$11,049,617.03	70%
NORTH TIPPAAH SCHOOL DIST	\$10,428,895.04	\$6,904,516.59	66%
NOXUBEE COUNTY SCHOOL DIST	\$18,049,393.73	\$11,908,149.25	66%
OCEAN SPRINGS SCHOOL DIST	\$49,301,036.27	\$34,578,858.10	70%
OKOLONA SEPARATE SCHOOL DIST	\$7,410,497.88	\$4,912,577.65	66%
OKTIBBEHA COUNTY SCHOOL DIST	\$10,901,150.86	\$6,019,317.95	55%
OXFORD SCHOOL DIST	\$35,751,129.93	\$23,299,293.34	65%
PASCAGOULA SCHOOL DIST	\$74,475,741.63	\$49,804,789.90	67%
PASS CHRISTIAN PUBLIC SCHOOL DIST	\$19,642,421.58	\$11,162,066.72	57%
PEARL PUBLIC SCHOOL DIST	\$30,151,592.16	\$19,582,831.34	65%
PEARL RIVER CO SCHOOL DIST	\$23,216,281.15	\$15,129,315.44	65%
PERRY CO SCHOOL DIST	\$11,189,334.00	\$7,093,883.24	63%
PETAL SCHOOL DIST	\$32,317,787.81	\$20,625,727.16	64%
PHILADELPHIA PUBLIC SCHOOL DIST	\$10,144,717.28	\$6,535,194.69	64%

District	Expenditures	Total Instruction	Percentage of Instructional Spending
PICAYUNE SCHOOL DIST	\$31,353,894.58	\$20,319,803.82	65%
PONTOTOC CITY SCHOOLS	\$17,479,171.11	\$12,296,768.38	70%
PONTOTOC CO SCHOOL DIST	\$24,956,276.76	\$17,647,289.03	71%
POPLARVILLE SEPARATE SCHOOL DIST	\$16,729,250.73	\$11,382,078.14	68%
PRENTISS CO SCHOOL DIST	\$18,993,934.68	\$13,338,440.38	70%
QUITMAN CO SCHOOL DIST	\$11,469,749.89	\$7,134,829.22	62%
QUITMAN SCHOOL DIST	\$17,778,309.93	\$10,263,221.73	58%
RANKIN CO SCHOOL DIST	\$146,520,407.87	\$102,990,413.33	70%
RICHTON SCHOOL DIST	\$5,082,241.81	\$3,391,796.46	67%
SCOTT CO SCHOOL DIST	\$27,212,804.02	\$18,160,849.62	67%
SENATOBIA MUNICIPAL SCHOOL DIST	\$14,256,307.59	\$9,924,719.11	70%
SHAW SCHOOL DIST	\$5,890,587.62	\$3,846,512.61	65%
SIMPSON CO SCHOOL DIST	\$33,822,883.05	\$22,415,979.23	66%
SMITH CO SCHOOL DIST	\$22,306,735.42	\$14,760,575.01	66%
SOUTH DELTA SCHOOL DIST	\$12,893,131.88	\$6,175,808.69	48%
SOUTH PANOLA SCHOOL DIST	\$37,900,792.19	\$25,157,833.89	66%
SOUTH PIKE SCHOOL DIST	\$18,357,426.53	\$10,994,976.67	60%
SOUTH TIPPAAH SCHOOL DIST	\$21,437,804.77	\$15,048,568.22	70%
STARKVILLE SCHOOL DIST	\$41,705,212.05	\$27,516,845.47	66%
STONE CO SCHOOL DIST	\$21,742,687.58	\$15,204,640.76	70%
SUNFLOWER CO SCHOOL DIST	\$18,979,083.97	\$12,578,132.51	66%
TATE CO SCHOOL DIST	\$22,591,824.52	\$14,481,620.61	64%
TISHOMINGO CO SP MUN SCH DIST	\$26,926,339.30	\$18,182,486.18	68%
TUNICA COUNTY SCHOOL DIST	\$24,156,671.74	\$14,862,954.41	62%
TUPELO PUBLIC SCHOOL DIST	\$67,805,579.74	\$48,232,504.77	71%
UNION CO SCHOOL DIST	\$19,824,494.70	\$13,544,368.48	68%
UNION PUBLIC SCHOOL DIST	\$6,970,837.93	\$4,545,106.31	65%
VICKSBURG WARREN SCHOOL DIST	\$75,264,282.86	\$51,657,413.97	69%
WALTHALL CO SCHOOL DIST	\$21,003,823.45	\$13,697,908.37	65%
WATER VALLEY SCHOOL DIST	\$9,182,713.42	\$6,602,216.31	72%
WAYNE CO SCHOOL DIST	\$28,647,379.35	\$18,383,502.17	64%
WEBSTER CO SCHOOL DIST	\$18,793,165.78	\$9,928,597.22	53%
WEST BOLIVAR SCHOOL DIST	\$8,622,912.36	\$5,873,175.45	68%
WEST JASPER CONSOLIDATED SCHOOLS	\$13,563,028.18	\$8,433,704.66	62%
WEST POINT SCHOOL DIST	\$27,029,838.58	\$16,436,345.54	61%
WEST TALLAHATCHIE SCHOOL DIST	\$9,162,348.79	\$5,565,360.92	61%
WESTERN LINE SCHOOL DIST	\$16,485,651.47	\$10,901,972.19	66%
WILKINSON CO SCHOOL DIST	\$12,430,159.11	\$8,053,754.43	65%
WINONA SEPARATE SCHOOL DIST	\$9,818,059.28	\$7,361,193.54	75%
YAZOO CITY MUNICIPAL SCHOOL DIST	\$19,966,775.43	\$13,536,916.61	68%
YAZOO CO SCHOOL DIST	\$15,396,335.59	\$9,239,166.97	60%
		Statewide Average	66%

SOURCE: PEER analysis of data provided by the Mississippi Department of Education.

Appendix B: School Districts that Fell Below 60% Instructional Spending in the 2011-12 School Year

This appendix lists all Mississippi school districts that spent less than sixty percent of their total expenditures on instruction in the 2011-12 school year. The last column shows funds that might be available for redirecting to instruction, depending on their source, if all of these districts were to meet the sixty percent instructional spending goal. Efficiency improvements might be achieved by shared services arrangements, school district consolidation, outsourcing, or other efforts.

This appendix does not attempt to determine any potential correlation of expenditures with educational outcomes.

District	Total Expenditures	Total Instructional Expenditures	Percentage of Instructional Spending	Total Instructional Spending under 60% Goal	Additional Funds Possibly Available for Instruction
SOUTH DELTA SCHOOL DIST	\$12,893,131.88	\$6,175,808.69	48%	\$7,735,879.13	\$1,560,070.44
CLAY CO SCHOOL DIST	\$2,222,532.48	\$1,171,705.69	53%	\$1,333,519.49	\$161,813.80
WEBSTER CO SCHOOL DIST	\$18,793,165.78	\$9,928,597.22	53%	\$11,275,899.47	\$1,347,302.25
BAY ST LOUIS WAVELAND SCHOOL DIST	\$24,450,251.60	\$13,277,174.27	54%	\$14,670,150.96	\$1,392,976.69
EAST JASPER CONSOLIDATED SCH DIST	\$9,976,628.90	\$5,496,414.37	55%	\$5,985,977.34	\$489,562.97
OKTIBBEHA COUNTY SCHOOL DIST	\$10,901,150.86	\$6,019,317.95	55%	\$6,540,690.52	\$521,372.57
JEFFERSON DAVIS CO SCHOOL DIST	\$16,905,329.78	\$9,394,441.96	56%	\$10,143,197.87	\$748,755.91
PASS CHRISTIAN PUBLIC SCHOOL DIST	\$19,642,421.58	\$11,162,066.72	57%	\$11,785,452.95	\$623,386.23
QUITMAN SCHOOL DIST	\$17,778,309.93	\$10,263,221.73	58%	\$10,666,985.96	\$403,764.23
BENOIT SCHOOL DIST	\$3,803,476.03	\$2,201,897.45	58%	\$2,282,085.62	\$80,188.17
				Total	\$7,329,193.24

SOURCE: PEER analysis of data provided by the Mississippi Department of Education.

Appendix C: Districts' Expenditures per Student for the 2011-12 School Year

The purpose of this appendix is to provide a screening tool regarding the overall efficiency of school districts. PEER divided the total expenditures of school districts by each districts' average daily attendance to determine the cost per student for all operations. This calculation allows for efficiency comparisons between the districts. School districts with high expenditures per student could benefit from efficiency improvements or school districts with low cost per student could be used to identify best practices or efficiency standards that could be implemented in other school districts.

This appendix does not attempt to determine any potential correlation of expenditures with educational outcomes.

District	Average Daily Attendance	Total Expenditures	Expenditures Per Student
ABERDEEN SCHOOL DIST	1,353.19	\$13,633,935.72	\$10,075.40
ALCORN SCHOOL DIST	3,354.47	\$29,293,783.40	\$8,732.76
AMITE CO SCHOOL DIST	1,000.26	\$10,600,715.39	\$10,597.96
AMORY SCHOOL DIST	1,732.43	\$14,867,260.33	\$8,581.74
ATTALA CO SCHOOL DIST	1,014.56	\$10,962,191.38	\$10,804.87
BALDWIN SCHOOL DIST	804.90	\$7,254,130.54	\$9,012.46
BAY ST LOUIS WAVELAND SCHOOL DIST	1,856.59	\$24,450,251.60	\$13,169.44
BENOIT SCHOOL DIST	260.26	\$3,803,476.03	\$14,614.14
BENTON CO SCHOOL DIST	1,199.88	\$11,281,214.41	\$9,401.95
BILOXI PUBLIC SCHOOL DIST	4,841.88	\$51,186,243.23	\$10,571.56
BOONEVILLE SCHOOL DIST	1,228.72	\$10,102,299.00	\$8,221.81
BROOKHAVEN SCHOOL DIST	2,750.21	\$25,495,590.02	\$9,270.42
CALHOUN CO SCHOOL DIST	2,303.79	\$19,276,617.08	\$8,367.35
CANTON PUBLIC SCHOOL DIST	3,143.06	\$27,899,226.05	\$8,876.45
CARROLL COUNTY SCHOOL DIST	895.29	\$8,714,799.81	\$9,734.05
CHICKASAW CO SCHOOL DIST	507.17	\$4,481,045.68	\$8,835.39
CHOCTAW CO SCHOOL DIST	1,413.16	\$15,039,292.60	\$10,642.31
CLAIBORNE CO SCHOOL DIST	1,634.57	\$17,349,015.89	\$10,613.81
CLARKSDALE MUNICIPAL SCHOOL DIST	3,079.29	\$30,150,961.30	\$9,791.53
CLAY CO SCHOOL DIST	132.33	\$2,222,532.48	\$16,795.38
CLEVELAND SCHOOL DIST	3,417.07	\$33,734,708.83	\$9,872.41
CLINTON PUBLIC SCHOOL DIST	4,469.94	\$34,121,730.40	\$7,633.60
COAHOMA CO AHS	239.33	\$2,558,555.16	\$10,690.49
COAHOMA COUNTY SCHOOL DIST	1,420.35	\$15,542,572.57	\$10,942.78
COFFEEVILLE SCHOOL DIST	566.31	\$6,273,720.16	\$11,078.24
COLUMBIA SCHOOL DIST	1,737.76	\$14,904,010.44	\$8,576.56

District	Average Daily Attendance	Total Expenditures	Expenditures Per Student
COLUMBUS MUNICIPAL SCHOOL DIST	4,232.40	\$39,122,860.27	\$9,243.66
COPIAH CO SCHOOL DIST	2,651.48	\$19,985,114.72	\$7,537.34
CORINTH SCHOOL DIST	2,158.47	\$18,495,136.83	\$8,568.63
COVINGTON CO SCHOOLS	2,984.06	\$25,724,892.50	\$8,620.77
DESOTO CO SCHOOL DIST	30,649.29	\$208,669,629.81	\$6,808.30
DREW SCHOOL DIST	514.54	\$5,217,519.18	\$10,140.16
DURANT PUBLIC SCHOOL DIST	536.53	\$4,386,810.51	\$8,176.26
EAST JASPER CONSOLIDATED SCH DIST	936.78	\$9,976,628.90	\$10,649.92
EAST TALLAHATCHIE CONSOL SCH DIST	1,223.84	\$11,146,316.30	\$9,107.66
ENTERPRISE SCHOOL DIST	955.60	\$6,878,634.83	\$7,198.24
FOREST MUNICIPAL SCHOOL DIST	1,426.98	\$12,344,085.25	\$8,650.50
FORREST COUNTY AG HIGH SCHOOL	549.24	\$5,018,047.14	\$9,136.35
FORREST COUNTY SCHOOL DIST	2,266.70	\$21,518,988.19	\$9,493.53
FRANKLIN CO SCHOOL DIST	1,369.04	\$13,699,227.05	\$10,006.45
GEORGE CO SCHOOL DIST	3,883.26	\$28,696,303.97	\$7,389.75
GREENE COUNTY SCHOOL DIST	2,011.22	\$20,178,222.56	\$10,032.83
GREENVILLE PUBLIC SCHOOLS	5,446.79	\$48,173,023.95	\$8,844.30
GREENWOOD PUBLIC SCHOOL DIST	2,616.09	\$24,280,497.72	\$9,281.22
GRENADA SCHOOL DIST	4,043.07	\$32,139,283.41	\$7,949.23
GULFPORT SCHOOL DIST	5,479.54	\$50,906,248.59	\$9,290.24
HANCOCK CO SCHOOL DIST	4,165.47	\$33,689,408.39	\$8,087.78
HARRISON CO SCHOOL DIST	13,012.73	\$106,477,133.60	\$8,182.54
HATTIESBURG PUBLIC SCHOOL DIST	4,252.48	\$48,328,780.15	\$11,364.85
HAZLEHURST CITY SCHOOL DIST	1,408.06	\$14,901,363.01	\$10,582.90
HINDS CO AHS	172.02	\$2,681,641.81	\$15,589.13
HINDS CO SCHOOL DIST	6,024.59	\$51,351,797.70	\$8,523.70
HOLLANDALE SCHOOL DIST	669.22	\$9,224,453.70	\$13,783.89
HOLLY SPRINGS SCHOOL DIST	1,368.84	\$13,957,202.98	\$10,196.37
HOLMES CO SCHOOL DIST	2,927.09	\$28,932,104.26	\$9,884.26
HOUSTON SCHOOL DIST	1,765.43	\$14,830,787.52	\$8,400.67
HUMPHREYS CO SCHOOL DIST	1,672.29	\$14,317,348.11	\$8,561.52
INDIANOLA SCHOOL DIST	2,062.50	\$19,627,439.82	\$9,516.33
ITAWAMBA CO SCHOOL DIST	3,398.21	\$25,630,156.76	\$7,542.25
JACKSON CO SCHOOL DIST	8,814.64	\$70,473,863.28	\$7,995.09
JACKSON PUBLIC SCHOOL DIST	27,489.69	\$270,048,984.73	\$9,823.65
JEFFERSON CO SCHOOL DIST	1,233.90	\$12,443,717.42	\$10,084.87
JEFFERSON DAVIS CO SCHOOL DIST	1,601.06	\$16,905,329.78	\$10,558.84
JONES CO SCHOOL DIST	7,932.01	\$66,164,754.11	\$8,341.49
KEMPER CO SCHOOL DIST	1,083.61	\$11,956,330.82	\$11,033.80
KOSCIUSKO SCHOOL DIST	2,249.07	\$16,026,878.63	\$7,126.00
LAFAYETTE CO SCHOOL DIST	2,417.63	\$20,693,037.32	\$8,559.22
LAMAR COUNTY SCHOOL DIST	8,796.77	\$70,424,301.04	\$8,005.70
LAUDERDALE CO SCHOOL DIST	6,366.00	\$49,991,345.69	\$7,852.87
LAUREL SCHOOL DIST	2,796.46	\$27,276,136.84	\$9,753.81
LAWRENCE CO SCHOOL DIST	2,028.24	\$18,461,511.57	\$9,102.23

District	Average Daily Attendance	Total Expenditures	Expenditures Per Student
LEAKE CO SCHOOL DIST	2,835.25	\$24,393,253.25	\$8,603.56
LEE COUNTY SCHOOL DIST	6,690.53	\$54,276,701.85	\$8,112.47
LEFLORE CO SCHOOL DIST	2,602.69	\$26,086,611.48	\$10,022.94
LELAND SCHOOL DIST	936.29	\$9,606,063.75	\$10,259.71
LINCOLN CO SCHOOL DIST	2,820.07	\$19,674,498.81	\$6,976.60
LONG BEACH SCHOOL DIST	2,781.98	\$23,370,324.99	\$8,400.61
LOUISVILLE MUNICIPAL SCHOOL DIST	2,568.97	\$23,813,847.32	\$9,269.80
LOWNDES CO SCHOOL DIST	4,789.56	\$45,401,172.09	\$9,479.19
LUMBERTON PUBLIC SCHOOL DIST	632.00	\$6,448,384.90	\$10,203.14
MADISON CO SCHOOL DIST	11,707.96	\$98,296,198.61	\$8,395.67
MARION CO SCHOOL DIST	2,136.48	\$20,210,558.82	\$9,459.75
MARSHALL CO SCHOOL DIST	3,130.52	\$24,483,918.84	\$7,821.04
MCCOMB SCHOOL DIST	2,551.57	\$24,884,105.27	\$9,752.47
MERIDIAN PUBLIC SCHOOL DIST	5,620.82	\$57,110,872.63	\$10,160.59
MONROE CO SCHOOL DIST	2,136.87	\$20,587,588.49	\$9,634.46
MONTGOMERY CO SCHOOL DIST	298.71	\$4,539,118.41	\$15,195.74
MOSS POINT SEPARATE SCHOOL DIST	2,314.66	\$30,455,151.21	\$13,157.51
MOUND BAYOU PUBLIC SCHOOL	569.06	\$5,245,143.85	\$9,217.21
NATCHEZ-ADAMS SCHOOL DIST	3,553.11	\$39,275,909.26	\$11,053.95
NESHOBA COUNTY SCHOOL DIST	3,092.60	\$23,973,397.11	\$7,751.86
NETTLETON SCHOOL DIST	1,251.84	\$10,246,949.03	\$8,185.51
NEW ALBANY PUBLIC SCHOOLS	2,067.03	\$17,858,566.55	\$8,639.72
NEWTON COUNTY SCHOOL DIST	1,792.07	\$15,246,675.69	\$8,507.86
NEWTON MUNICIPAL SCHOOL DIST	942.64	\$9,342,401.50	\$9,910.89
NORTH BOLIVAR SCHOOL DIST	619.32	\$7,273,243.12	\$11,743.92
NORTH PANOLA SCHOOLS	1,535.94	\$16,972,398.49	\$11,050.17
NORTH PIKE SCHOOL DIST	2,289.02	\$15,871,633.76	\$6,933.81
NORTH TIPPAH SCHOOL DIST	1,294.27	\$10,428,895.04	\$8,057.74
NOXUBEE COUNTY SCHOOL DIST	1,731.61	\$18,049,393.73	\$10,423.48
OCEAN SPRINGS SCHOOL DIST	5,240.23	\$49,301,036.27	\$9,408.18
OKOLONA SEPARATE SCHOOL DIST	638.88	\$7,410,497.88	\$11,599.20
OKTIBBEHA COUNTY SCHOOL DIST	873.15	\$10,901,150.86	\$12,484.85
OXFORD SCHOOL DIST	3,497.38	\$35,751,129.93	\$10,222.26
PASCAGOULA SCHOOL DIST	6,559.13	\$74,475,741.63	\$11,354.52
PASS CHRISTIAN PUBLIC SCHOOL DIST	1,682.93	\$19,642,421.58	\$11,671.56
PEARL PUBLIC SCHOOL DIST	3,682.82	\$30,151,592.16	\$8,187.09
PEARL RIVER CO SCHOOL DIST	2,848.83	\$23,216,281.15	\$8,149.41
PERRY CO SCHOOL DIST	1,158.37	\$11,189,334.00	\$9,659.55
PETAL SCHOOL DIST	3,825.28	\$32,317,787.81	\$8,448.48
PHILADELPHIA PUBLIC SCHOOL DIST	1,130.98	\$10,144,717.28	\$8,969.85
PICAYUNE SCHOOL DIST	3,245.19	\$31,353,894.58	\$9,661.65
PONTOTOC CITY SCHOOLS	2,195.30	\$17,479,171.11	\$7,962.09
PONTOTOC CO SCHOOL DIST	3,256.37	\$24,956,276.76	\$7,663.83
POPLARVILLE SEPARATE SCHOOL DIST	1,899.52	\$16,729,250.73	\$8,807.09
PRENTISS CO SCHOOL DIST	2,196.92	\$18,993,934.68	\$8,645.71

District	Average Daily Attendance	Total Expenditures	Expenditures Per Student
QUITMAN CO SCHOOL DIST	1,164.09	\$11,469,749.89	\$9,852.98
QUITMAN SCHOOL DIST	1,879.76	\$17,778,309.93	\$9,457.76
RANKIN CO SCHOOL DIST	18,289.02	\$146,520,407.87	\$8,011.39
RICHTON SCHOOL DIST	672.91	\$5,082,241.81	\$7,552.63
SCOTT CO SCHOOL DIST	3,642.68	\$27,212,804.02	\$7,470.54
SENATOBIA MUNICIPAL SCHOOL DIST	1,816.89	\$14,256,307.59	\$7,846.54
SHAW SCHOOL DIST	493.53	\$5,890,587.62	\$11,935.62
SIMPSON CO SCHOOL DIST	4,000.88	\$33,822,883.05	\$8,453.86
SMITH CO SCHOOL DIST	2,748.29	\$22,306,735.42	\$8,116.59
SOUTH DELTA SCHOOL DIST	932.51	\$12,893,131.88	\$13,826.27
SOUTH PANOLA SCHOOL DIST	4,282.48	\$37,900,792.19	\$8,850.20
SOUTH PIKE SCHOOL DIST	1,810.66	\$18,357,426.53	\$10,138.53
SOUTH TIPPAAH SCHOOL DIST	2,592.99	\$21,437,804.77	\$8,267.60
STARKVILLE SCHOOL DIST	3,926.35	\$41,705,212.05	\$10,621.88
STONE CO SCHOOL DIST	2,568.57	\$21,742,687.58	\$8,464.90
SUNFLOWER CO SCHOOL DIST	1,506.83	\$18,979,083.97	\$12,595.37
TATE CO SCHOOL DIST	2,731.97	\$22,591,824.52	\$8,269.43
TISHOMINGO CO SP MUN SCH DIST	3,002.51	\$26,926,339.30	\$8,967.94
TUNICA COUNTY SCHOOL DIST	2,037.85	\$24,156,671.74	\$11,854.00
TUPELO PUBLIC SCHOOL DIST	6,914.87	\$67,805,579.74	\$9,805.76
UNION CO SCHOOL DIST	2,587.53	\$19,824,494.70	\$7,661.55
UNION PUBLIC SCHOOL DIST	920.09	\$6,970,837.93	\$7,576.26
VICKSBURG WARREN SCHOOL DIST	8,086.24	\$75,264,282.86	\$9,307.70
WALTHALL CO SCHOOL DIST	2,253.39	\$21,003,823.45	\$9,320.99
WATER VALLEY SCHOOL DIST	1,159.33	\$9,182,713.42	\$7,920.71
WAYNE CO SCHOOL DIST	3,429.42	\$28,647,379.35	\$8,353.42
WEBSTER CO SCHOOL DIST	1,745.10	\$18,793,165.78	\$10,769.11
WEST BOLIVAR SCHOOL DIST	810.63	\$8,622,912.36	\$10,637.30
WEST JASPER CONSOLIDATED SCHOOLS	1,464.48	\$13,563,028.18	\$9,261.33
WEST POINT SCHOOL DIST	3,006.58	\$27,029,838.58	\$8,990.23
WEST TALLAHATCHIE SCHOOL DIST	769.69	\$9,162,348.79	\$11,903.95
WESTERN LINE SCHOOL DIST	1,855.60	\$16,485,651.47	\$8,884.27
WILKINSON CO SCHOOL DIST	1,240.88	\$12,430,159.11	\$10,017.21
WINONA SEPARATE SCHOOL DIST	1,122.94	\$9,818,059.28	\$8,743.17
YAZOO CITY MUNICIPAL SCHOOL DIST	2,385.23	\$19,966,775.43	\$8,371.01
YAZOO CO SCHOOL DIST	1,626.34	\$15,396,335.59	\$9,466.86
STATEWIDE AVERAGES	460,703.53	\$4,115,008,744.23	\$8,932.01

SOURCE: PEER analysis of data provided by the Mississippi Department of Education.

Appendix D: Districts' Administrative Spending per Student for the 2011-12 School Year

The purpose of this appendix is to provide a screening tool regarding the efficiency of a specific support function in school districts across the state. PEER used administrative expenditures for this appendix, but the same form of analysis may be used to screen for the efficiency of other support functions such as transportation.

PEER divided the total administrative expenditures of school districts by each district's average daily attendance to determine the cost per student for administration. This calculation provides a screening tool and beginning point for studying efficiency. School districts with high administrative cost per student could benefit from efficiency improvements or school districts with low cost per student could be used to identify best practices or efficiency standards that could be implemented in other school districts.

This appendix does not attempt to determine any potential correlation of expenditures with educational outcomes.

District	2011-12 Month 1-9 Average Daily Attendance (ADA)	Administration Expenditures	Administration Expenditures Divided by ADA
ABERDEEN SCHOOL DIST	1,353.19	\$1,947,265.66	\$1,439.02
ALCORN SCHOOL DIST	3,354.47	\$2,807,920.29	\$837.07
AMITE CO SCHOOL DIST	1,000.26	\$1,103,325.82	\$1,103.04
AMORY SCHOOL DIST	1,732.43	\$1,929,470.16	\$1,113.74
ATTALA CO SCHOOL DIST	1,014.56	\$1,233,245.87	\$1,215.55
BALDWIN SCHOOL DIST	804.9	\$944,353.98	\$1,173.26
BAY ST LOUIS WAVELAND SCHOOL DIST	1,856.59	\$1,944,280.24	\$1,047.23
BENOIT SCHOOL DIST	260.26	\$606,537.75	\$2,330.51
BENTON CO SCHOOL DIST	1,199.88	\$1,398,089.74	\$1,165.19
BILOXI PUBLIC SCHOOL DIST	4,841.88	\$4,164,758.30	\$860.15
BOONEVILLE SCHOOL DIST	1,228.72	\$1,156,251.49	\$941.02
BROOKHAVEN SCHOOL DIST	2,750.21	\$3,072,724.88	\$1,117.27
CALHOUN CO SCHOOL DIST	2,303.79	\$2,019,182.58	\$876.46
CANTON PUBLIC SCHOOL DIST	3,143.06	\$2,715,142.48	\$863.85
CARROLL COUNTY SCHOOL DIST	895.29	\$1,002,304.77	\$1,119.53
CHICKASAW CO SCHOOL DIST	507.17	\$415,050.67	\$818.37
CHOCTAW CO SCHOOL DIST	1,413.16	\$1,681,325.66	\$1,189.76
CLAIBORNE CO SCHOOL DIST	1,634.57	\$1,610,542.67	\$985.30
CLARKSDALE MUNICIPAL SCHOOL DIST	3,079.29	\$3,146,022.83	\$1,021.67
CLAY CO SCHOOL DIST	132.33	\$489,590.17	\$3,699.77
CLEVELAND SCHOOL DIST	3,417.07	\$3,578,942.66	\$1,047.37
CLINTON PUBLIC SCHOOL DIST	4,469.94	\$3,399,472.55	\$760.52

District	2011-12 Month 1- 9 Average Daily Attendance (ADA)	Administration Expenditures	Administration Expenditures Divided by ADA
COAHOMA CO AHS	239.33	\$271,805.24	\$1,135.69
COAHOMA COUNTY SCHOOL DIST	1,420.35	\$1,833,149.42	\$1,290.63
COFFEEVILLE SCHOOL DIST	566.31	\$792,717.50	\$1,399.79
COLUMBIA SCHOOL DIST	1,737.76	\$1,550,610.56	\$892.30
COLUMBUS MUNICIPAL SCHOOL DIST	4,232.40	\$3,529,788.19	\$833.99
COPIAH CO SCHOOL DIST	2,651.48	\$2,250,090.90	\$848.62
CORINTH SCHOOL DIST	2,158.47	\$1,414,065.84	\$655.12
COVINGTON CO SCHOOLS	2,984.06	\$3,061,403.45	\$1,025.92
DESOTO CO SCHOOL DIST	30,649.29	\$20,108,027.76	\$656.07
DREW SCHOOL DIST	514.54	\$929,140.03	\$1,805.77
DURANT PUBLIC SCHOOL DIST	536.53	\$567,368.92	\$1,057.48
EAST JASPER CONSOLIDATED SCH DIST	936.78	\$1,276,028.68	\$1,362.14
EAST TALLAHATCHIE CONSOL SCH DIST	1,223.84	\$1,164,595.97	\$951.59
ENTERPRISE SCHOOL DIST	955.6	\$844,848.39	\$884.10
FOREST MUNICIPAL SCHOOL DIST	1,426.98	\$1,488,668.46	\$1,043.23
FORREST COUNTY AG HIGH SCHOOL	549.24	\$513,297.64	\$934.56
FORREST COUNTY SCHOOL DIST	2,266.70	\$2,574,034.63	\$1,135.59
FRANKLIN CO SCHOOL DIST	1,369.04	\$1,849,413.75	\$1,350.88
GEORGE CO SCHOOL DIST	3,883.26	\$2,719,347.45	\$700.27
GREENE COUNTY SCHOOL DIST	2,011.22	\$1,771,707.44	\$880.91
GREENVILLE PUBLIC SCHOOLS	5,446.79	\$5,552,482.82	\$1,019.40
GREENWOOD PUBLIC SCHOOL DIST	2,616.09	\$3,242,200.30	\$1,239.33
GRENADA SCHOOL DIST	4,043.07	\$2,954,123.14	\$730.66
GULFPORT SCHOOL DIST	5,479.54	\$4,668,130.87	\$851.92
HANCOCK CO SCHOOL DIST	4,165.47	\$3,011,219.72	\$722.90
HARRISON CO SCHOOL DIST	13,012.73	\$8,287,128.33	\$636.85
HATTIESBURG PUBLIC SCHOOL DIST	4,252.48	\$4,511,993.52	\$1,061.03
HAZLEHURST CITY SCHOOL DIST	1,408.06	\$1,974,546.07	\$1,402.32
HINDS CO AHS	172.02	\$6,681.36	\$38.84
HINDS CO SCHOOL DIST	6,024.59	\$5,849,424.00	\$970.92
HOLLANDALE SCHOOL DIST	669.22	\$1,336,146.05	\$1,996.57
HOLLY SPRINGS SCHOOL DIST	1,368.84	\$1,569,018.84	\$1,146.24
HOLMES CO SCHOOL DIST	2,927.09	\$2,619,912.03	\$895.06
HOUSTON SCHOOL DIST	1,765.43	\$1,558,180.83	\$882.61
HUMPHREYS CO SCHOOL DIST	1,672.29	\$1,583,270.30	\$946.77
INDIANOLA SCHOOL DIST	2,062.50	\$2,318,967.56	\$1,124.35
ITAWAMBA CO SCHOOL DIST	3,398.21	\$2,606,012.71	\$766.88
JACKSON CO SCHOOL DIST	8,814.64	\$6,772,189.91	\$768.29
JACKSON PUBLIC SCHOOL DIST	27,489.69	\$24,517,802.50	\$891.89
JEFFERSON CO SCHOOL DIST	1,233.90	\$1,443,559.14	\$1,169.92
JEFFERSON DAVIS CO SCHOOL DIST	1,601.06	\$1,991,345.16	\$1,243.77
JONES CO SCHOOL DIST	7,932.01	\$5,189,314.22	\$654.22
KEMPER CO SCHOOL DIST	1,083.61	\$1,246,990.95	\$1,150.77
KOSCIUSKO SCHOOL DIST	2,249.07	\$1,400,833.63	\$622.85

District	2011-12 Month 1- 9 Average Daily Attendance (ADA)	Administration Expenditures	Administration Expenditures Divided by ADA
LAFAYETTE CO SCHOOL DIST	2,417.63	\$2,125,133.24	\$879.02
LAMAR COUNTY SCHOOL DIST	8,796.77	\$6,201,071.38	\$704.93
LAUDERDALE CO SCHOOL DIST	6,366.00	\$4,428,184.40	\$695.60
LAUREL SCHOOL DIST	2,796.46	\$2,852,426.98	\$1,020.01
LAWRENCE CO SCHOOL DIST	2,028.24	\$2,560,740.90	\$1,262.54
LEAKE CO SCHOOL DIST	2,835.25	\$3,417,671.89	\$1,205.42
LEE COUNTY SCHOOL DIST	6,690.53	\$5,326,988.24	\$796.20
LEFLORE CO SCHOOL DIST	2,602.69	\$2,875,242.14	\$1,104.72
LELAND SCHOOL DIST	936.29	\$1,184,987.73	\$1,265.62
LINCOLN CO SCHOOL DIST	2,820.07	\$1,789,350.95	\$634.51
LONG BEACH SCHOOL DIST	2,781.98	\$2,472,276.90	\$888.68
LOUISVILLE MUNICIPAL SCHOOL DIST	2,568.97	\$2,533,717.23	\$986.28
LOWNDES CO SCHOOL DIST	4,789.56	\$3,918,744.17	\$818.18
LUMBERTON PUBLIC SCHOOL DIST	632	\$788,974.90	\$1,248.38
MADISON CO SCHOOL DIST	11,707.96	\$7,951,626.80	\$679.16
MARION CO SCHOOL DIST	2,136.48	\$2,016,318.36	\$943.76
MARSHALL CO SCHOOL DIST	3,130.52	\$2,755,582.04	\$880.23
MCCOMB SCHOOL DIST	2,551.57	\$2,763,992.40	\$1,083.25
MERIDIAN PUBLIC SCHOOL DIST	5,620.82	\$5,025,406.50	\$894.07
MONROE CO SCHOOL DIST	2,136.87	\$1,840,451.06	\$861.28
MONTGOMERY CO SCHOOL DIST	298.71	\$744,718.46	\$2,493.12
MOSS POINT SEPARATE SCHOOL DIST	2,314.66	\$3,864,847.54	\$1,669.73
MOUND BAYOU PUBLIC SCHOOL	569.06	\$811,175.55	\$1,425.47
NATCHEZ-ADAMS SCHOOL DIST	3,553.11	\$4,395,854.57	\$1,237.19
NESHOBA COUNTY SCHOOL DIST	3,092.60	\$2,163,546.42	\$699.59
NETTLETON SCHOOL DIST	1,251.84	\$1,106,981.08	\$884.28
NEW ALBANY PUBLIC SCHOOLS	2,067.03	\$1,717,938.17	\$831.11
NEWTON COUNTY SCHOOL DIST	1,792.07	\$1,464,836.52	\$817.40
NEWTON MUNICIPAL SCHOOL DIST	942.64	\$1,152,740.39	\$1,222.89
NORTH BOLIVAR SCHOOL DIST	619.32	\$952,020.32	\$1,537.20
NORTH PANOLA SCHOOLS	1,535.94	\$1,828,607.64	\$1,190.55
NORTH PIKE SCHOOL DIST	2,289.02	\$1,745,567.04	\$762.58
NORTH TIPPAH SCHOOL DIST	1,294.27	\$1,147,899.89	\$886.91
NOXUBEE COUNTY SCHOOL DIST	1,731.61	\$1,716,813.31	\$991.45
OCEAN SPRINGS SCHOOL DIST	5,240.23	\$4,061,965.74	\$775.15
OKOLONA SEPARATE SCHOOL DIST	638.88	\$1,041,522.79	\$1,630.23
OKTIBBEHA COUNTY SCHOOL DIST	873.15	\$1,676,952.46	\$1,920.58
OXFORD SCHOOL DIST	3,497.38	\$2,682,907.15	\$767.12
PASCAGOULA SCHOOL DIST	6,559.13	\$6,859,201.40	\$1,045.75
PASS CHRISTIAN PUBLIC SCHOOL DIST	1,682.93	\$2,439,090.11	\$1,449.31
PEARL PUBLIC SCHOOL DIST	3,682.82	\$3,704,752.06	\$1,005.96
PEARL RIVER CO SCHOOL DIST	2,848.83	\$2,478,987.77	\$870.18
PERRY CO SCHOOL DIST	1,158.37	\$1,324,399.00	\$1,143.33
PETAL SCHOOL DIST	3,825.28	\$3,571,153.07	\$933.57
PHILADELPHIA PUBLIC SCHOOL DIST	1,130.98	\$1,239,407.63	\$1,095.87

District	2011-12 Month 1- 9 Average Daily Attendance (ADA)	Administration Expenditures	Administration Expenditures Divided by ADA
PICAYUNE SCHOOL DIST	3,245.19	\$3,477,441.61	\$1,071.57
PONTOTOC CITY SCHOOLS	2,195.30	\$1,583,552.37	\$721.34
PONTOTOC CO SCHOOL DIST	3,256.37	\$1,982,747.92	\$608.88
POPLARVILLE SEPARATE SCHOOL DIST	1,899.52	\$1,828,531.58	\$962.63
PRENTISS CO SCHOOL DIST	2,196.92	\$1,616,151.45	\$735.64
QUITMAN CO SCHOOL DIST	1,164.09	\$1,533,799.40	\$1,317.60
QUITMAN SCHOOL DIST	1,879.76	\$2,096,459.97	\$1,115.28
RANKIN CO SCHOOL DIST	18,289.02	\$14,735,156.85	\$805.68
RIGHTON SCHOOL DIST	672.91	\$568,279.92	\$844.51
SCOTT CO SCHOOL DIST	3,642.68	\$2,954,160.08	\$810.99
SENATOBIA MUNICIPAL SCHOOL DIST	1,816.89	\$1,628,818.54	\$896.49
SHAW SCHOOL DIST	493.53	\$919,475.17	\$1,863.06
SIMPSON CO SCHOOL DIST	4,000.88	\$4,089,743.98	\$1,022.21
SMITH CO SCHOOL DIST	2,748.29	\$2,283,587.31	\$830.91
SOUTH DELTA SCHOOL DIST	932.51	\$1,324,339.42	\$1,420.19
SOUTH PANOLA SCHOOL DIST	4,282.48	\$3,344,989.63	\$781.09
SOUTH PIKE SCHOOL DIST	1,810.66	\$1,641,637.18	\$906.65
SOUTH TIPPAAH SCHOOL DIST	2,592.99	\$1,921,396.54	\$741.00
STARKVILLE SCHOOL DIST	3,926.35	\$3,584,620.96	\$912.97
STONE CO SCHOOL DIST	2,568.57	\$2,126,953.82	\$828.07
SUNFLOWER CO SCHOOL DIST	1,506.83	\$2,425,482.75	\$1,609.66
TATE CO SCHOOL DIST	2,731.97	\$1,815,981.50	\$664.72
TISHOMINGO CO SP MUN SCH DIST	3,002.51	\$2,321,524.20	\$773.19
TUNICA COUNTY SCHOOL DIST	2,037.85	\$3,104,460.59	\$1,523.40
TUPELO PUBLIC SCHOOL DIST	6,914.87	\$5,193,432.63	\$751.05
UNION CO SCHOOL DIST	2,587.53	\$2,102,431.96	\$812.52
UNION PUBLIC SCHOOL DIST	920.09	\$907,418.45	\$986.23
VICKSBURG WARREN SCHOOL DIST	8,086.24	\$6,679,320.13	\$826.01
WALTHALL CO SCHOOL DIST	2,253.39	\$2,302,467.58	\$1,021.78
WATER VALLEY SCHOOL DIST	1,159.33	\$879,878.99	\$758.95
WAYNE CO SCHOOL DIST	3,429.42	\$3,164,739.05	\$922.82
WEBSTER CO SCHOOL DIST	1,745.10	\$1,490,427.41	\$854.06
WEST BOLIVAR SCHOOL DIST	810.63	\$1,199,761.95	\$1,480.04
WEST JASPER CONSOLIDATED SCHOOLS	1,464.48	\$1,772,001.73	\$1,209.99
WEST POINT SCHOOL DIST	3,006.58	\$2,762,616.22	\$918.86
WEST TALLAHATCHIE SCHOOL DIST	769.69	\$1,480,116.72	\$1,923.00
WESTERN LINE SCHOOL DIST	1,855.60	\$1,737,956.23	\$936.60
WILKINSON CO SCHOOL DIST	1,240.88	\$1,458,401.57	\$1,175.30
WINONA SEPARATE SCHOOL DIST	1,122.94	\$1,050,643.73	\$935.62
YAZOO CITY MUNICIPAL SCHOOL DIST	2,385.23	\$2,516,934.70	\$1,055.22
YAZOO CO SCHOOL DIST	1,626.34	\$2,072,479.74	\$1,274.32
Statewide Averages	3,030.94	\$2,720,332.11	\$1,054.30

SOURCE: PEER analysis of data provided by the Mississippi Department of Education

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Rosana Slawson
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