



Beyond Boundaries

A Shared Services Action Plan
for Ohio Schools and Governments

June 2012



June 13, 2012

To the Honorable John R. Kasich, Governor and Members of the General Assembly:

Pursuant to H.B. 153, section 267.50.90, the director of the Governor's Office of 21st Century Education, assisted by the Office of Budget and Management, conducted a shared services survey of Ohio schools, other educational service providers and local political subdivisions. This information was to be used to prepare legislative recommendations improving government cost savings.

Ohio's local schools and governments have reached a critical juncture. Service expectations continue to grow and costs are rising faster than the economy. Our school systems and government entities must find ways to reduce costs and improve efficiency. The status quo simply can't continue. Shared services provide hope.

To help address this challenge, and fulfilling our obligation under section 267.50.90, we are pleased to present the results of the survey and recommendations for action as well as auxiliary documentation to support the plan's findings and recommendations. *Beyond Boundaries: A Shared Services Action Plan for Ohio Schools and Governments* reflects the work of numerous participating partners, representing a wide cross-section of education and local government professionals from across Ohio.

Beyond Boundaries is a comprehensive study of public policy recommendations, potential collaborations and needed changes to the overall way of doing business in Ohio's public sector. This plan is based on a statewide shared services survey, which collected baseline data on existing shared services arrangements and identified future opportunities for local entities to share staffing, equipment and facilities across jurisdictions.

Beyond Boundaries presents ten recommendations for action, including:

- Local government and education leaders need to utilize existing authority to enter into simple agreements;
- The State should continue to seek legislative approval, when necessary, to further remove identified barriers to shared services;
- Formation of regional shared service centers must become a priority; and
- The State should continue developing tools to assist local collaboration and shared services

The objective of this plan is to provide leaders a roadmap for a more cost-effective, collaborative way of doing business, including strategies that reduce costs, improve efficiency and deliver improved government and educational services. Achieving those goals will require strong, concerted leadership at every level of government. Ohioans deserve action. And the time for action is now.

Respectfully submitted,

Handwritten signature of Richard A. Ross in blue ink.

Richard A. Ross, PhD – Director
Governor's Office of 21st Century Education

Handwritten signature of Timothy S. Keen in blue ink.

Timothy S. Keen – Director
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Beyond Boundaries:

A Shared Services Action Plan for Ohio Schools and Governments

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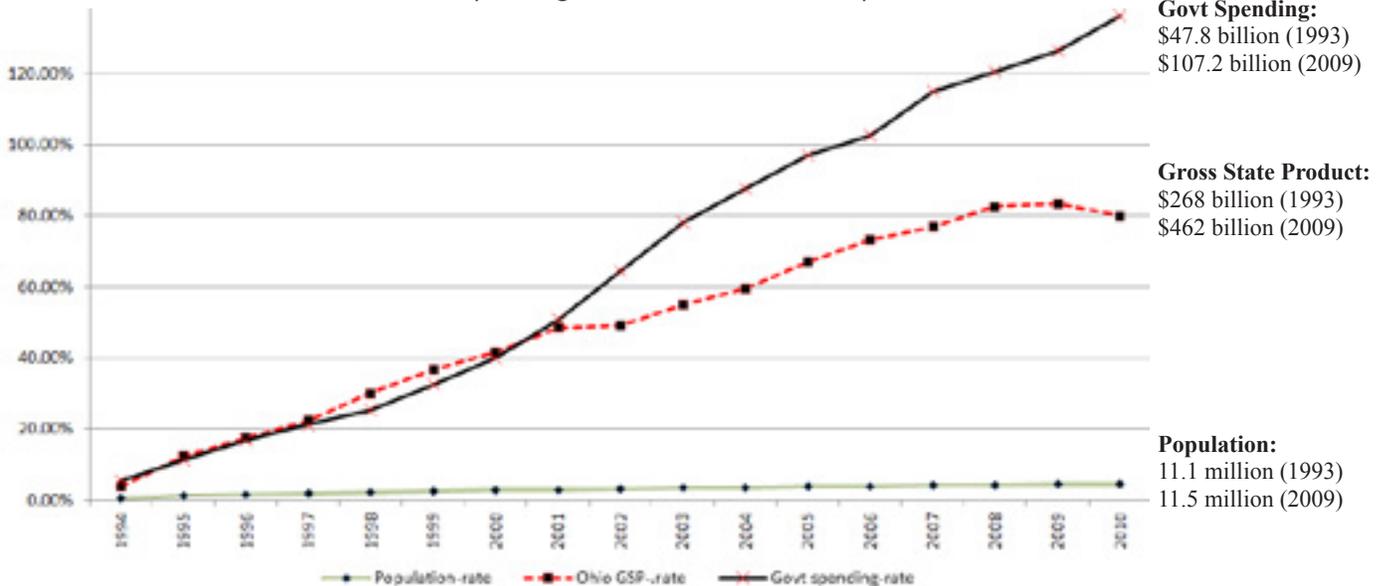
Executive Summary and Highlighted Recommendations

“Ohio’s individual cities and townships have taken on expenses that are unsustainable, and the state’s ability to assist them is limited. Regional approaches to collaboration and coordination are necessary to preserve services to Ohioans and achieve affordability” – Recommendations for Redevelopment and Smart Growth in Ohio, Compact with Ohio Cities Task Force, 2010

With government in Ohio growing faster than the economy, and experiencing increasing public demand for services, the need to identify efficiencies has become urgent. In separate studies, the Ohio and Regional Chambers of Commerce, the Compact with Ohio Cities Task Force and the Commission on Local Government Reform each pointed to the state’s fragmented service delivery system and recommended further pursuit of shared services to create these efficiencies and improve service delivery.

The plan presented here is based on similar research and conversations as earlier studies and comes to the same conclusion. It has also used a survey of government entities and leadership to assess the current status of shared services in Ohio. Results of this study were then used to identify new or expanded opportunities for shared services, along with an action plan for legislators, local leaders and stakeholder organizations whose active support is essential to this effort. The result is ten specific recommendations, several of which are highlighted in this summary.

Cumulative Growth Rates 1993 to 2009
Ohio Government Spending, Gross State Product, Population



To understand the need for shared services, it was necessary to first identify the problem. As shown in the chart above, the U.S. Census Bureau reported that total government spending in Ohio was \$47.8 billion in 1993 and had grown to \$107.2 billion in 2009, far outpacing growth in Ohio's population and gross state product.

Public services in Ohio are provided by more than 3,900 units of local government and public education, which are governed by more than 20,000 elected officials.

Federal, state and local governments, including schools, employ more than 780,000 Ohioans – fully 13 percent of the state's total workforce in 2011. The size and fragmented nature of Ohio's governmental structure creates inherent inefficiencies in service delivery to citizens and back-office functions. These inefficiencies make it more difficult for citizens and businesses to interact with government.

The solution is not to just perpetuate these inefficiencies with new or increased sources of revenue. In a state with a very high tax burden already – and just recently recovering from an \$7.7 billion state budget shortfall – now is not the time to raise taxes. Rather, it is the time for state and local leaders to think creatively, challenge the status quo and find new ways to deliver services at the same or reduced costs.

Shared services is a collaborative strategy designed to optimize public resources – including staff, equipment and facilities – across jurisdictions. Because of its repeatedly demonstrated effectiveness in reducing costs, improving service and increasing efficiencies, shared services approaches have been gaining support among policy makers.

To help address these challenges, the twin goals of this Shared Services Plan are to create recommendations for integration of services into a shared services model for local governments and schools, and to recommend educational support organizations be integrated into the regional shared service center system. The expansion will:

- Secure the most efficient government services for Ohio taxpayers;
- Create greater accountability and transparency of government costs and potential savings, so that current or potential job creators see that Ohio is serious about running a highly efficient government;
- Make Ohio a leader in providing shared services and in breaking down intergovernmental barriers to efficiency.

*“The per capita cost of government in Northeast Ohio rose nearly 70 percent between 1992 and 2002, more than twice the rate of inflation for the Midwest (29 percent). Data from the 2007 government census shows the rate of growth continuing, with close to \$20 billion, almost 15 percent of our region's total economy, being spent on government. That's up from \$16 billion, or 10 percent in 2002. Of the regions studied by CGR, the two with the highest governmental expenditures – the Minneapolis-St. Paul region and Northeast Ohio – also had the greatest number of governmental units.” – *A Cost of Government Study for Northeast Ohio*, Center for Governmental Research, 2008.*

Highlighted Recommendations

The following recommendations are highlights of six of the ten recommendations found in the main body of *Beyond Boundaries*. These six were selected for this summary because they provide the foundation upon which the other recommendations are based and are key state actions required to facilitate the use of shared services in Ohio.

Sharing Services Should Be Simple

Through the Jobs Budget (Am. Sub. H.B. 153), the State's operating budget for fiscal years 2012 and 2013, a new section of Ohio Revised Code was created to clearly allow intergovernmental shared services. Section 9.482 of the Ohio Revised Code allows any local government or school in Ohio to enter into an agreement with another political subdivision to provide a service.

Too often in the past, new regional councils of government or other additional bureaucracies were formed for the purpose of implementing shared services and other forms of cross-jurisdictional cooperation. With the creation of section 9.482, draft agreements – often in the form of memorandas of understanding or simple contracts – are now in development for local government officials to use as templates to more easily complete shared services projects.

RECOMMENDATION: Local governments and school systems should use this new tool [section 9.482] to sign simple agreements to execute a shared services arrangement. (page 11)

Creating a Network of Regional Shared Services Centers

Today, the education community is served by 55 educational service centers (ESCs), 22 information technology centers (ITCs) and eight education technology centers (ETCs) that, together, have more than 13,000 employees and a combined annual budget in excess of \$1.2 billion. Together, they have the experience and capacity to efficiently deliver extensive shared services offerings. These centers are the logical starting place for the regional provision of shared services for schools and local governments in core areas of technology, administration and educational support. The survey, stakeholder meetings and research conducted during development of this plan confirmed the appropriateness and capacity of these centers to expand beyond their traditional customer base of schools.

“What the state has generally not done, is step back and redesign major systems and their governance and finance structures with a goal of improving program and policy effectiveness.” - Redesigning Ohio: Transforming Government into a 21st Century Institution, Ohio Chamber of Commerce, 2010.

The following recommendation builds upon the consolidation that began in Ohio almost 20 years ago, when there were 181 separate organizations providing regional support to schools. Since 1995, that number has been reduced to 85. The following recommendation and its resulting process will ensure further optimization of the network and delivery of quality services.

RECOMMENDATION: The State should make a thorough review of Ohio's existing network of educational service, information technology and education technology centers and provide recommendations on the necessary structure and governance that will provide an integrated system of regional shared service centers (RSSC) using implementation strategies detailed in this plan. (page 14)

Applying Market Forces to Ensure Positive Results

Many of the existing ITCs and ESCs have formed councils of government to extend services offered or to include government and non-profit entities. H.B. 153 modified the Ohio Revised Code to provide clear authority for ESCs to directly enter into agreements and provide services to local governments in Ohio. Many of the services already offered by ESCs and ITCs fall in the shared services categories of administration, technology and instructional support. The results of the survey indicates how prevalent those services are used by schools and, in many cases, local governments in Ohio.

The required, or at least expected, standard offerings provided through regional shared service centers can be more fully developed through the review process proposed. Once fully developed, identified services can then be the foundation for competitive funding awarded by the Ohio Department of Education and the starting point for contracted services by local governments and schools.

RECOMMENDATION: Apply additional market forces to encourage the use of shared services and ensure the quality of services provided by:

- Reviewing the remaining direct state funding for ESCs and ITCs to define which funds can move from a subsidy payment to competitive bidding for services through the FY 14-15 budget process;
 - Establishing benchmarks for performance and review process prior to contract renewal for purchased services. (page 17)
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Keeping the Momentum of Shared Services

The survey indicated that shared purchasing is currently the most common shared services activity in Ohio. However, the concept is loosely coordinated and not fully utilized. There are dozens of established programs, vendor and government websites and points of contact that provide an overabundance of choices and decisions that can overwhelm purchasing officials. It was repeatedly noted in meetings that too many choices make any decision difficult. Saving money should not become a staff burden requiring extensive research, numerous web searches and multiple phone calls.

Local governments and schools have just begun to pursue shared staffing, shared space and other shared administrative functions, but the list of examples is slowly growing and savings are being verified in this area. Templates and access to examples of successful collaboration will help get initiatives started and catalyze the use of shared services in Ohio. In stakeholder meetings and survey responses, local government and school leaders have asked for additional tools like a database of collaboration examples, sample agreements, and savings estimates to help them expand the use of shared services.

RECOMMENDATION: The State should continue developing tools to assist local governments and schools in implementing collaboration and shared services. The State should support information portals related to shared services. (page 19)

- The Auditor of State's Skinny Ohio.org should be expanded to serve as an Online Clearinghouse of information, sample materials and tools that aid in determining when savings may exist through shared services.
- The Department of Administrative Services should develop an Online Portal of services and products available through existing shared purchasing programs and/or state contracts.

RECOMMENDATION: The State should develop benchmarks for spending and/or financial reporting that provide public transparency around cost effectiveness and create the capacity for state reporting necessary to evaluate performance and cost effectiveness. (page 21)

- The State should create "triggers" encouraging the use of shared services by districts and/or local governments designated to be in fiscal distress or those with substantial performance audit recommendations.
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Following the Shared Services Model

The Shared Services Survey provides baseline data on existing shared services arrangements and identifies future shared services opportunities. Survey responses from 1,789 local governments and school systems indicated that they have begun to utilize shared services, but not to an extent that permits them to realize significant savings or to make substantive improvements in service delivery. That said, a number of exciting shared services examples and promising practices have been identified.

During development of this Shared Services Plan, excellent examples of successful collaboration were found. The term *shared services model* is used to describe the components that support successful collaboration programs or determining optimum service levels for collaboration. This model was used within the development of this plan to identify existing programs and promising practices that are scalable or have existing capacity through which additional schools and local governments can participate.

RECOMMENDATION: The Shared Services Model should be used by state and local leaders to determine opportunities for shared services and the optimum manner for individual entities to join together for the provision of a specific shared service. (page 25)

Some of the promising practices and examples identified through application of the Shared Service Model include:

- The Management Council of the Ohio Education Computer Network estimates that regional coordination of shared technology services, along with development of regional datacenters and shared “cloud services” could yield at least \$91 million in accumulated savings over the next five years.
- A 2010 study by RCC Consultants indicates that utilizing MARCS (Multi-Agency Radio Communication System) at a statewide level through coordination of a “system of systems” could yield over \$500 million in savings to ongoing capital and operating expenses for the state and local governments between now and 2020.
- A study by the Mercer Group indicated potential savings from pooling healthcare insurance purchases among Ohio school districts and institutions of higher education could result in savings of up to \$318 million, or about six percent in costs, over a two-year period.

One important factor should be mentioned early in this plan. More than technology, processes, laws or policies, *people and their way of thinking* have to change. The way governments do business needs to evolve with changing times and must be brought up to modern efficiencies. The private sector has made process improvements a priority for decades. Now is the time for governments to put aside “the way it has always been done” and make way at long last for better, more modern and cost-effective alternatives.

We know the steps – and the mind-set – needed to make progress: working across boundaries schools and communities must set aside differences and acknowledge that another operation does something better. Both are necessary to ensure a bright and prosperous future for Ohio. Assuring that future will require strong, concerted leadership in the present.

One guiding principle behind the recommendations in this report is seeking out “centers of excellence” and/or “leading providers” to serve as examples for the most efficient expansion of the shared services concept across Ohio. An important element to success will be the development of a public sector marketplace among shared services providers, supported by informed local government decision makers. Through creativity, innovation, and choice the shared services concept will lead to continuous improvement, not just substituting one way of doing things for another. By sharing services, we are being smart with taxpayer monies thus saving funds that can be used elsewhere. Sharing services is fundamentally a matter of sharing savings.

Three important steps are necessary for this effort to succeed. First, the administration and legislature must continue making the statutory and policy changes needed to expedite the use of shared services across Ohio. Second, information and tools are needed by local leaders to realize the shared services opportunities available to them. Local leaders need state-level comparable data to help them determine where shared services opportunities make sense. Third, local leaders have to take immediate, broad action. This requires leadership and vision from all. The overriding objective of this plan is to provide leaders a roadmap for taking these next steps.

“The Commission, as a whole, concluded from testimony and research that the citizens of Ohio, in numerous cases, already enjoy some of the benefits of collaboration currently permissible under current law. It also determined, however, that in many cases, it wasn’t the ‘rules of the game’ that inhibited cost-saving collaboration, but rather the ‘players in the game.’” – Building a Better Ohio: Creating Collaboration in Governance, Ohio Commission on Local Government Reform and Collaboration, 2010.

Section 1: Introduction

“Ohio is facing an unprecedented fiscal crisis. Although we’re not alone, we would be remiss in not taking this opportunity to transform our state government to one that is sustainable and provides greater value to our citizens. Getting more for less is both the best response to our current crisis and a necessary step toward building a strong state economy that can compete in the 21st century. The time for action is now. Our state government must become more flexible, adaptable and innovative – searching constantly for new ways to improve services and heighten productivity.”
 – *Redesigning Ohio: Transforming Government into a 21st Century Institution*, Ohio Chamber of Commerce, 2010.

In recent years, with every level of government in Ohio facing the repercussions of a poor economy and increasing public demand for public services, the need for shared services strategies has become more and more apparent.

Public services in Ohio are provided by more than 3,900 units of local government and public education, which are governed by more than 20,000 elected officials. Federal, state and local governments, including schools, employ more than 780,000 Ohioans – fully 13 percent of the state’s total workforce in 2011. According to the U.S. Census Bureau, total government spending in Ohio was \$107.2 billion in 2009.¹

**Units of Government and
Elected Officials in Ohio**

Type	Number	Elected Officials
Counties	88	960
Cities and Villages	932	9,514
Townships	1,308	5,231
Public Schools (1)	668	3,803
Courts (2)	266	724
Libraries	251	n/a
Special Districts	449	n/a
TOTAL	3,962	20,232

For Northeast Ohio alone, government spending was estimated in a 2007 report to total \$20 billion, or 15 percent of the region’s total economy. That report also estimated the region’s rate of government spending growth at 70 percent over the ten years between 1992 and 2002.

The magnitude and fragmented nature of Ohio’s governmental structure creates inherent inefficiencies in service delivery, for back-office functions as well as direct services to citizens. These inefficiencies add an additional burden of local taxes and make it more difficult for citizens and businesses to interact with government. In a state with a very high tax burden – and just recently recovering from a \$7.7 billion state budget shortfall – now is not the time to raise taxes.² Rather, it is the time for state and local leaders to think creatively, challenge the status quo and find new ways to deliver services.

(1) Including Joint Vocational Schools
 (2) Does not include the 320 Mayor’s Courts

Section 2: Shared Services Is a Solution

Often when discussing the shared services concept with education and government leaders, there was no common frame of reference or perception of the meaning of *shared services*. For our purposes, and in communications with stakeholders and survey participants, the following definition was consistently applied:

Shared services is a collaborative strategy that is fundamentally about optimizing staff, equipment and facilities and other corporate or public resources across jurisdictions to improve operational efficiencies and related outcomes.

This approach, because of its potential in the areas of cost reduction, improved services and increased efficiencies, has quickly gained attention and support among policy makers. All of the recommendations in this report are intended to fulfill one of two stated purposes: to improve service delivery and achieve administrative cost savings. In some accomplished cases, a shared service initiative may not yield cost savings; however, it provides the mechanism for an efficient delivery of a required service or allows for an improvement in the quality of service delivery.

In June 2011, the Office of Budget and Management (OBM) identified individuals familiar with existing promising practices within existing shared services to form a “deliverables team.” Chaired by Controlling Board President Randy Cole, this team included representatives from OBM, Department of Education, Department of Administrative Services, educational service centers and information technology centers. Support for the team’s work and preparation of its report was provided by Andy Shifflette, Tom Betti, Rachel Baxter and Dave Pagnard of OBM and Barbara Mattei-Smith, the governor’s assistant policy director for education.

The deliverables team considered research and analysis and received public input, including:

- A variety of local government data from Ohio and around the nation;
- An extensive range of white papers and research regarding local government reform in Ohio;
- Best practice reports and analyses from other states;
- Meetings with representatives of public, private and non-profit organizations with an interest in various aspects of Ohio’s local government.

In the end, it was determined that the twin goals of this Shared Services Plan should be to create recommendations for integration of services into a shared services model for local governments and schools, and to recommend educational support organizations be integrated into the regional shared service center system. The expanded use of shared services in Ohio will:

- Secure the most efficient government services for Ohio taxpayers;
- Create greater accountability and transparency of government costs and potential savings, so that employers see that Ohio is serious about running a highly efficient government;
- Make Ohio the nation's leader in providing shared services and in breaking down intergovernmental barriers to efficiency.

Section 3: Proposals of Bold Action to Accelerate Local Efforts

“Local government efficiency would benefit from a general ‘home rule’ statute that empowers local political subdivisions to freely and voluntarily collaborate on service delivery.”
– *Building a Better Ohio: Creating Collaboration in Governance*, Ohio Commission on Local Government Reform and Collaboration, 2010.

Government and education leaders have the opportunity to provide better services at lower cost. This plan provides ten recommendations and identifies promising practices related to the use of shared services.

RECOMMENDATION (1): Local government and education leaders need to use their authority to enter into simple agreements with one another to simplify the process of creating shared services opportunities.

All political subdivisions in Ohio, including schools and local governments, were provided intergovernmental shared services authority through a change in the State’s fiscal year 2012-13 biennial operating budget (H.B. 153). Section 9.482 of the Ohio Revised Code was created and states:

“a political subdivision may enter into an agreement with another political subdivision whereby a contracting political subdivision agrees to exercise any power, perform any function, or render any service for another contracting recipient political subdivision that the contracting recipient political subdivision is otherwise legally authorized to exercise, perform, or render.”

Too often in the past, new regional councils of government or other additional bureaucracies were formed for the sole purpose of implementing shared services and other forms of cross-jurisdictional cooperation. With the creation of section 9.482, draft agreements – often in the form of memorandas of understanding or simple contracts – are now in development for local government officials to use as templates to more easily begin shared services projects. Governments and schools need to view the nature of their relationship with shared services partners as contractors.

From meetings and presentations conducted during the course of this study, it became clear that few local government leaders seemed aware of section 9.482’s existence. In one broad stroke, H.B. 153 significantly reduced the largest reported barrier to shared services. However, 39.8 percent of survey respondents indicated that legal and policy barriers were the main obstacle to sharing services. It is important for stakeholder associations, county prosecutors, school legal counsels and local government legal teams to familiarize themselves with the new statute and to utilize it in the broadest terms possible. In addition, those same groups should reevaluate local ordinances and policies that may remain barriers to expanding the use of shared services.

Identified Barriers to Collaboration

Barriers/Obstacles	% Selected
Legal/policy barriers	39.8%
No financial sense	28.5%
Budget difficulties	27.6%
Negotiated agreements	26.4%
Geographic obstacles	23.0%
Governance	21.9%
Organizational inertia	18.9%
Cost model for service	14.6%
Job security/employee cooperation	13.8%
Issues related to competition	8.9%
Lack of public support	2.9%

Source: Shared Services Survey, October, 2011

The financial and internal barriers identified in the table above should be assessed in the development of each shared services initiative. Change is difficult; community perceptions and concerns about losing identity are understandable. Clear communication about shared services initiatives is vital. However, while local leaders reported a perceived barrier of lack of public support in the survey results, polling data from the Center For Government Research's *A Cost of Government Study for Northeast Ohio*, reveal strong public support for the shared services concept and government collaboration:

- 87% support collaboration on roads, sewers and highways;
- 82% support regional coordination on land use;
- 82% support fire and police collaborations;
- 76% support public schools collaborations.³

RECOMMENDATION (2) The State should continue the process to further remove identified barriers to shared services and collaboration, including legislative approval when necessary.

The Kasich Administration and 42 statewide associations representing all types of state and local education and government entities have agreed to meet monthly through 2012 to continue addressing challenges related to implementing shared services. These meetings will review the barriers identified during development of the plan to work toward ways to remove them and create additional tools to expand shared services.

Section 4: Regional Shared Service Center System

The shared services concept was introduced to the education community in Ohio with the creation of 88 County Boards of Education in 1914. The boards were assigned the task of “elevating the state’s system of education to a proper standard” by creating curriculum for school districts, providing in-service training for teachers and assuring quality classroom instruction through supervision and evaluation. In 1979, twenty-seven datacenters were established to provide financial accounting support to school districts. The County Boards of Education were consolidated into Educational Service Centers (ESCs) in 1995 and the role of the datacenters expanded beyond accounting systems to include the information collected by the Ohio Department of Education in the Educational Management Information System (EMIS).

Today, the education community is served by 55 educational service centers (ESCs), 22 information technology centers (ITCs) and eight education technology centers (ETCs) that, together, have more than 13,000 employees and a combined annual budget in excess of \$1.2 billion. Together, they also retain the experience and capacity to efficiently deliver extensive shared services offerings. These centers are the logical starting place for the regional provision of shared services for schools and local governments in core areas of technology, administration and educational support. The survey, stakeholder meetings and research conducted during development of this plan confirmed the appropriateness and capacity of these centers to expand beyond their traditional customer base of schools.

“In the end, the state needs to work with local governments to promote and, when necessary, require system redesigns that will lower the cost and increase the quality of local government services.” – Redesigning Ohio: Transforming Government into a 21st Century Institution, Ohio Chamber of Commerce, 2010.

RECOMMENDATION (3) The State should make a thorough review of Ohio’s existing network of educational service, information technology and education technology centers and provide recommendations on the necessary structure and governance that will provide an integrated system of regional shared service centers (RSSC) using implementation strategies detailed in this plan.

- The State should complete a comprehensive review of current statutes and policies related to ESCs and ITCs to ensure the centers have the flexibility required to facilitate shared services.

“In FY 2008, K-12 education comprised the largest share of state spending – 39 percent or \$8.65 billion. It appears from projections in other states and from actual experience in Ohio that school district consolidation, or at the very least more aggressive shared services agreements between existing districts, could free up money that can be reinvested in classrooms.”

– Restoring Prosperity: Transforming Ohio’s Communities for the Next Economy, Greater Ohio Policy Center – Brookings Institution Metropolitan Policy Program, 2010.

The Evolution of Ohio’s Educational Support Network

Organization	Original	1995 ¹	2006 ²	Change process	2012	2016
Regional Shared Service Centers	0	0	0	Governance overlay and transition	0	TBD
Educational Service Centers (ESCs)	88 (1914)	72	63	1995 legislative mandate, voluntary since	55	0
Information Technology Centers (ITCs)	27 (1979)	23	23	Established 1979, voluntary	22	0
Education Technology Centers (ETCs)	8 (1967)	8	8	Integrate into RSSCs	8	0
Area Media Centers (AMCs)	25 (1972)	23	23	Funding discontinued, closed and merged	0	0
Professional Development Centers (RPDCs)	8 (1991)	12	0	Replaced by RSITs	0	0
School Improvement Teams (RSITs)	0	0	12	Services transferred to 16 of the 56 ESCs	0	0
Special Education Regional Resource Centers (SERRCs)	16	16	16	Services transferred to 16 of the 56 ESCs	0	0
Total	181	161	152		85	TBD

¹ In 1995, S.B. 140 was passed requiring the merger of those ESCs that served 8,000 ADM or fewer.

² Am. Sub. H.B. 115, 126th General Assembly created the Educational Regional Service System (ERSS) which consolidated many of the functions of Ohio Department of Education (e.g., RSIT, SERRC) into the new system through a performance contract with 16 ESCs.

Through a redefined purpose statement, a reconstructed governance structure, state-level oversight and leadership, and performance measures and accountability, this network of providers can be used to develop the regional shared service centers. Shared services can assist schools and local governments in upholding the integrity of their individual missions while reducing the overhead of administrative services and other general operating costs. Future geographic regions and the number of regional shared service centers (RSSCs) should be determined by the provider network (ESCs and ITCs) and the marketplace – schools and local governments – not the State.

Services Provided by Regional Shared Service Centers

Many of the existing ITCs and ESCs have formed councils of government to extend services offered or to include government and non-profit entities. H.B. 153 modified the Ohio Revised Code to provide clear authority for ESCs to directly enter into agreements and provide services to local governments in Ohio. Many of the services already offered by ESCs and ITCs fall in the shared services categories of administration, technology and instructional support. The results of the survey indicate how prevalent those services are used by schools and, in many cases, local governments in Ohio.

The required, or at least expected, standard offerings provided through regional shared service centers can be more fully developed through the review process proposed in Recommendation 3. Once fully developed, identified services can then be the foundation for competitive funding awards from the Ohio Department of Education and the starting point for contracted services by local governments and schools.

“Push school districts to enter aggressive shared services agreements. ODE does not determine the balance of administrative versus classroom spending in each district: That is a local decision. But ODE should encourage and ultimately require school districts to share services, ranging from personnel to health care. A study of several New York school districts in the Binghamton region suggests that creating a ‘federation model’ could save \$12 to \$16 million a year for the 15 districts involved. The model posits centralizing services, such as transportation management, maintenance garages, bus routing and dispatching, facilities management, energy management, and core building operations and joint strategies for reducing health care and special education costs. If this strategy were replicated across the state of New York, taxpayers could realize \$87 to \$137 million a year. Presumably similar savings can be found in Ohio.” – Restoring Prosperity: Transforming Ohio’s Communities for the Next Economy, Greater Ohio Policy Center – Brookings Institution Metropolitan Policy Program, 2010.

RECOMMENDATION (4) Apply additional market forces to encourage the use of shared services and ensure the quality of services provided by:

- Reviewing the remaining direct state funding for ESCs and ITCs to define which funds can move from a subsidy payment to a competitive bidding for services through the FY 14-15 budget process;
- Establishing benchmarks for performance and a review process prior to contract renewal for purchased services.

The Ohio Department of Education currently contracts with ESCs and ITCs to provide regional services such as support for under-performing schools and bus driver training in addition to the services funded through subsidy payments. Through this contracting approach, the ESCs and ITCs competitively bid to provide services for the state to regional customers. RSCCs can serve as conduits for funding and coordination for various regional activities and be required to work with the ITCs, ESCs and other providers within their respective regions to demonstrate uniform and consistent delivery of services and ensure equitable access to essential services.

The Department of Education should create educational service provider and regional shared service center performance metrics along with appropriate accountability systems including performance agreements relating to the administration of state and/or federal programs by the newly formed regional shared service centers.

Successful application of the Shared Services Model requires the continued search for “centers of excellence” and/or “leading providers” to serve as examples for the most efficient expansion of the shared services concept across Ohio. An important element to success will be the development of a public sector marketplace among shared services providers, supported by informed local government decision makers. For local governments, utilization of RSCCs

is not mandatory and they have full consumer choice. At least under current law and funding mechanisms, schools face some constraints in their choices related to using ESCs and ITCs. The General Assembly should work with the Department of Education and school district leaders to review and refine the school district transfer process developed under H.B. 153.

“These new marketplace enterprises must compete to earn their keep, based on their quality and cost,”
– *Redesigning Ohio: Transforming Government into a 21st Century Institution*, Ohio Chamber of Commerce, 2010.

Section 5: Keeping the Momentum of Shared Services

Identified Success Factors

Conditions for Success	% Selected
Projected cost savings	64.9%
Willing partners	59.5%
Quality product/ service	44.9%
Well researched plan of action	31.9%
Geographic proximity	23.0%
Prior relationships	19.5%
Employee buy-in	9.7%
Shared governance	7.6%
Resources from external sources	6.7%
Privacy security	2.9%

Source: Shared Services Survey, October, 2011

Local government leaders identified a number of factors necessary if a shared services agreement is to be attractive to the parties entering the agreement. Listed above are the success factors and the percentage of participants who identified the factors as critical to the success of the agreement.

Many of the success factors related to individual arrangements are determined by the participants in a project. Potential savings was identified as the leading factor for success. However, shared services projects can also extend or improve service delivery which also serves as an impetus for collaboration and is a condition for success. The survey results indicate that prior relationships are three times more important than resources from external sources for realizing success. In addition, employee buy-in is an important factor for success and participants are encouraged to utilize employees at all levels of the organization to help develop shared services initiatives.

Early communication in the development of a project is essential, so employees, citizens and participants have a clear understanding of the project's objectives. Quality and plan of action are both determined by the participants and can be achieved through careful development of service level agreements. Through survey results, other research and meetings during the development of this plan, it is evident that collaboration begets collaboration.

RECOMMENDATION (5) The State should continue developing tools to assist local governments and schools in implementing collaboration and shared services.

- The State should support information portals related to shared services:
 - The Auditor of State’s Skinny Ohio.org should be expanded to serve as an Online Clearinghouse of information, sample materials and tools that aid in determining when savings may exist through shared services.
 - The Department of Administrative Services should develop an Online Portal of services and products available through existing shared purchasing programs and/or state contracts.

One example of supporting local governments in implementing shared services is skinnyOhio.org, a website designed by Ohio Auditor of State David Yost to help local leaders seeking innovative ways to do business. This website offers examples, templates, reference documents and other resources to help Ohio communities that are looking for ways to jump-start sharing services with other entities. It also includes a searchable database of best practices and recommendations from performance audits – all of which could lead to greater efficiencies. The website is regularly updated with the latest news and information concerning performance audits, shared services and cost-saving initiatives.

The Auditor of State’s Office and the Center for Public Administration and Public Policy have collaborated in identifying hundreds of examples and case studies of successful collaborative projects. Many of the projects can be found via the web in the Auditor of State’s Shared Services Idea Center, which is within SkinnyOhio.org.

H.B. 153 created a \$45 million Local Government Innovation Fund to be administered by the Ohio Department of Development and a recently appointed 15 member Local Government Innovation Council. The fund is being established to provide financial assistance to Ohio political subdivisions for planning and implementing projects to create more efficient and effective service delivery. The department and council have committed to providing the public with access to all projects submitted for consideration under the Local Government Innovation Program.

“Create a clearinghouse of information and educational programs on best practices in joint purchasing and shared services for citizens and public officials.” – Building a Better Ohio: Creating Collaboration in Governance, Ohio Commission on Local Government Reform and Collaboration, 2010.

The Auditor of State, General Assembly and Kasich Administration are collaborating to ensure any information about the program that is posted on individual websites is also included in the more comprehensive online portal of information and resources related to shared services, SkinnyOhio.org.

Through the development of this plan, ten separate statewide joint purchasing programs were identified. Many more exist regionally. The survey indicated that shared purchasing is the most common existing shared services activity in Ohio. However, the concept is loosely coordinated and not fully utilized. There are dozens of established programs, vendor and government websites and points of contact that provide a myriad of choices and decisions that can overwhelm purchasing officials. It was repeatedly noted in meetings that at some point, too many choices become overwhelming for new entrants into the market and a barrier. Saving money should not become a staff burden requiring extensive research, numerous web searches and multiple phone calls.

For services and products that can be purchased by entities anywhere in Ohio, the State Department of Administrative Services (DAS) should create an online searchable portal of services and products available for procurement by local entities through existing joint purchasing programs or state contract. The database will pull information from other websites along with information about established programs to allow purchasing officers to compare prices across various sources (councils of government, consortia, state contract, etc.) and allow jurisdictions easy access to identify and contact officials from established programs appropriate for their intended purchase. This database can be created by DAS, or for the State, by a vendor.

Examples of shared administrative services that would be available through the purchasing portal include:

- Grant administration;
- Purchasing;
- Printing services;
- Human resources and benefits management;
- Staff contract negotiation;
- Business services;
- Insurance;
- Food service.

RECOMMENDATION (6) The Local Government Innovation Council should create and award bonus points to applicants for submitting projects that are consistent with recommendations or promising practices identified in this Shared Services Plan.

While the Local Government Innovation Program encourages “out of the box” thinking and supports innovation, an important goal of the program is action, not studies. Each of the recommendations and promising practices identified in this Shared Services Plan has been thoroughly researched. In addition, examples identified with many of those recommendations have yielded proven results. Projects submitted that are consistent with these recommendations have a higher probability of successful implementation and achieving the desired outcomes.

RECOMMENDATION (7) The State should take the lead in developing benchmarks and access to information that aids local government and school officials in determining when savings opportunities may exist through shared services.

Much of this Shared Services Plan is dedicated to explaining what local government and school leaders can do to be more efficient. In other cases, information is provided about ways to develop a program. The missing element, most often, is when? Data should drive these decisions: cost benefit/ ROI and simple addition/subtraction. Can they receive or provide the same level of service to their citizens or employees for less money?

Unfortunately, comprehensive, comparable data to allow benchmarking among and between local governments is not currently available. While local governments are currently required to file annual financial reports with the Auditor of State, these reports are filed in various media, and comparisons are difficult due to the use of many different accounting systems. In addition, the Auditor of State’s Office includes peer comparisons as part of performance audits, but these comparisons are limited to a select few and represent only a snapshot in time. However, the Auditor of State’s Office is currently working with local government stakeholders to build upon these requirements and make available comparable data related to local government revenues and expenditures. It is hoped that local governments will be able to use these data to compare their operations with peers.

RECOMMENDATION (8) The State should create “triggers” for districts and/or local governments in fiscal distress (categorized as fiscal caution, fiscal watch or fiscal emergency) or those with substantial recommendations coming out of performance audits.

The use of shared services as detailed in this plan is not mandatory. It is a tool that local leaders are strongly encouraged to use especially in these tough economic times. In those cases where a school or local government is not able to produce a balanced budget to sustain its operations and is declared in a condition of fiscal distress, or where an Ohio Auditor of State performance audit reveals excessive spending, the use of shared services should be strongly encouraged.

RECOMMENDATION (9) State associations that have participated in developing this Shared Services Plan should take a leadership role in developing draft agreements; educating their members; facilitating the relationships regionally – both within and across their memberships; training their members in using the tools available to them and communicating about shared services consistently over the next few years.

One important factor should be mentioned in this plan. More than technology, processes, laws or policies, *people and their way of thinking* have to change. The way governments do business needs to evolve with changing times and must be brought up to modern efficiencies. The private sector has made process improvements a priority for decades. Now is the time for governments to put aside “the way it has always been done” and, at long last, make way for better, more modern and cost-effective alternatives. The 42 statewide associations that participated in providing stakeholder input throughout the development of this plan and ensuring success of the Shared Services Survey by distributing it to their members can play a vital role in expanding the use and effectiveness of shared services.

“Our business model has changed permanently. In order for us to maximize our service to students and our impact on the community, we need great partners. If shared services with like-minded partners enables us to do something better, faster, and cheaper, we’re compelled to consider it. My guess is in some cases we’ll be buyers, in other cases we’ll be sellers.”
– David T. Harrison - President,
Columbus State Community College.

Section 6: Ohio Shared Services Survey

A Shared Services Survey was sent to 5,867 local government and school leaders including Ohio's school districts, chartered non-public schools and local political subdivisions. The 15-question survey was provided to the stakeholder associations to inventory the current state of shared services in 91 different topic areas and collected information on the future of shared services. Of these examples, 1,789 completed the survey, for a 30.5 percent rate of return. The deliverables team analyzed the survey data to develop recommendations for this plan.

Because there are differing opinions as to how the term *shared services* is applied, the Shared Services Survey and model identified broad categories of shared services opportunities and almost 100 shared services examples that represent thousands of ongoing collaborations across Ohio. Shared services opportunities exist not only in back-office functions such as administration, purchasing, human resources, payroll and benefits, insurance pooling and information technology, but also in public service delivery such as public safety, public works, educational services, and health and human services. Beyond the examples of shared core technology, purchasing and instructional support services, the rate of shared services adoption by survey respondents often is 10 percent or lower.

In summary, the survey indicates that schools and local government in Ohio have begun to utilize shared services as an approach to cost saving and efficiencies, but they are not utilizing the strategy across the board or to an extent that significant savings or service delivery improvements have been achieved. Below, the "reported shared services utilization table" provides a more detailed view of the utilization of shared services by specific types of entities. Again, these data are only reflective of the information provided by the 1,789 respondents to the survey. However, nothing would suggest utilization rates are higher by those who did not respond. In fact, it may be a safe assumption that those most interested in shared services responded to the survey and rates of utilization among the remaining entities may be lower.

A data validity check was made in several instances to compare survey results to information previously collected about local government and schools collaboration, and the results were similar. For example, the School Employees Health Care Board determined that about 62 percent of schools were participating in healthcare pooling, while this survey indicated a 56 percent participation rate. For a complete review of the Ohio Shared Services Survey, including an analysis of results, see the Appendix.

Reported Shared Services Utilization		
	All	K-12 Only
Server, storage or network deployment, management, or operation	46%	73%
Telephone, VoIP and/or internet services	42%	64%
Datacenter or colocation of technology infrastructure	37%	68%
Pooled healthcare	37%	56%
Insurance - workers' compensation	36%	53%
Computer and software licensing and subscription fees	35%	61%
Joint purchasing	34%	62%
Data recovery, disaster recovery	33%	59%
Special education	32%	67%
PT, OT, speech and other therapy services	32%	67%
Application development and support & database administration	32%	55%
Teacher professional development	31%	64%
Application hosting	31%	55%
End-user device management and support (computer, computer labs, imaging, helpdesk, training)	31%	47%
Insurance - general liability	30%	43%
Purchasing of electricity	29%	47%
Purchasing of office supplies	29%	45%
Purchasing of natural gas	26%	46%
Curriculum development	25%	53%
Purchasing of educational supplies	25%	44%
Vocational educational services	23%	49%
Purchasing of maintenance supplies	23%	37%
Website design, maintenance, or hosting	23%	33%
Audio-visual, copier or facsimile equipment purchasing or management	22%	32%
Teacher coaching or mentoring	20%	43%
Ohio Improvement Process or other school improvement services	19%	43%
School-based Medicaid health services billing	16%	35%

Source: Shared Services Survey, October, 2011

Section 7: Shared Services Model

“Governments spend a considerable amount on support services, such as recruiting, hiring, training, information technology, data entry and processing, vehicle maintenance, facility management and maintenance, custodial services, travel services, security, accounting and telecommunications. Many governments have turned some of their internal service operations into competitive enterprises, which must sell services to their customers to get revenue. Iowa, Minnesota, Milwaukee, Phoenix, the Edmonton school district in Canada, the U.S. federal government, Australia and the United Kingdom have all used this approach in significant ways.” – Redesigning Ohio: Transforming Government into a 21st Century Institution, Ohio Chamber of Commerce, 2010.

During development of *Beyond Boundaries, A Shared Services Action Plan for Ohio Schools and Government* the term *shared services model* is used to describe the components that support successful collaboration programs or determining optimum service levels for collaboration.

In developing the Shared Services Model, two fundamental questions were asked: At what level or scale should a service be provided? The teams evaluated shared services models at local, county, regional and state levels. The second question was to define which entity(ies) should lead in providing the shared service. Additional considerations included assessing whether an existing collaborative effort is scalable or replicable to or by other government entities; legal mandates for a specific entity to provide a shared service; geographic constraints that limit economies of scale; and whether or not a program has been evaluated for effectiveness.

The deliverables team used centers of excellence and leading providers to identify and define the common elements in successful shared services collaborations already in existence to define a shared services model which can be used as a template for the development of shared services agreements.

RECOMMENDATION (10) The Shared Services Model should be used by state and local leaders to determine opportunities for shared services and the optimum manner for individual entities to join together for the provision of a specific shared service.

The Shared Services Model was used to analyze survey results, in meetings, through research, and to review recommendations from stakeholder associations. The application of the model during the development of this plan resulted in the list of “Promising Practices and Examples” found in Section 8.

Examples where a shared services model seems to be working will be identified in more detail in a companion document, *Beyond Boundaries: A Practical Guide to Implementing Shared Services in Ohio*, that is in development. This resource guide also provides contact information that local leaders can utilize to find out more about participating in existing initiatives.

By no means is the compiled list exhaustive or conclusive. It is, however, an excellent snapshot of existing opportunities for shared services in Ohio and the model serves as a guide for state and local leaders to evaluate new shared services initiatives.

Section 8: Promising Practices and Examples

Several promising practices and examples are identified on the following pages. The examples contained in this section are from various reliable sources of research compiled by the deliverables team and submitted by external advisors. For a complete listing of people and organizations that have contributed, see the Acknowledgments at the end of the document. Specific savings calculations and references from other published sources are endnoted.

Technology

A discussion of technology related to shared services is important for three reasons. First, the amount of money schools and local government spend on technology warrants attention. Second, technology has been one of the first places local leaders have pursued shared services. The survey results revealed that ten of the top 30 shared services opportunities being pursued are in an area of information technology. Third, standardization of technology platforms and equipment and the consolidation of datacenters will accelerate opportunities for cloud computing techniques and facilitate shared service opportunities in administration, human resources, purchasing, facilities, fleet maintenance, staffing, and capital planning. Technology findings and recommendations are discussed in detail in the companion documents to this Shared Services Plan.

A thorough inventory of technology assets reported through the Shared Services Survey can be found in the Appendix. *Beyond Boundaries: A Practical Guide to Implementing Shared Services in Ohio* will include an explanation of cloud computing and a description of the impact of technology on expanding the use of shared services. The guide is currently in development

Microsoft estimates that the purchase and maintenance of servers and storage devices represent 45 percent of all datacenter costs, excluding labor costs associated with staffing the centers.⁴ When costs for datacenter floor space, power and cooling, and network connections are added to server costs, a four-year total cost of ownership for Ohio's local government computing infrastructure is estimated to range from \$377 to \$629 million.

- The Management Council of the Ohio Education Computer Network estimates that regional coordination of shared technology services along with development of regional datacenters and shared "cloud services," could yield at least \$91 million in accumulated savings over the next five years.⁵

Administration

- In a 2011 benchmarking study, Ohio Education Matters estimated that Ohio school districts could save \$488 million annually in administrative costs if they were to emulate the best practices of their best-in-class peers. This would result in an estimated annual savings of 27 percent in school-level administration and 23 percent in central administration by sharing best practices of the highest performers.⁶
- A recent report by the Youngstown/Warren Regional Chamber of Commerce urged moving district-level administrative functions to the county level. The chamber's report compared county-based district administration models in Virginia with three demographically similar counties in Ohio in terms of educational costs and academic performance. The report estimated the three Ohio counties could achieve \$36 million in administrative savings.⁷

Business Services:

- The Ohio School Boards Association has partnered with Emerald Data to offer paperless agenda services that give governing bodies turn-key electronic solutions for processing virtually any type of governance document. The partnership reports that 25 Ohio school districts are now using the software, and the service is applicable to any governmental entity. OSBA estimates participating districts save over \$600,000 in combined expenses a year.
- The Ohio Department of Administrative Services launched a statewide public notice website available for use by all public entities in February, 2012. According to DAS, this permissive program applies to all public notices and bid notices, and is available at no charge. Legal notices are still required to be published in their entirety one time; subsequent notices can be made through the public notice website. As a result, DAS estimates that reduced newspaper publishing costs could save schools and local governments millions of dollars annually.

Management Staff Sharing:

- In Hamilton County, the Reading City Schools and Three Rivers Local School District share a treasurer, for a reported annual saving of about \$55,000 to \$66,000 in each school district. In addition, the Wyoming City Schools and the Oak Hills Local School District share a treasurer, which the districts report saves \$45,000 for Oak Hills and \$60,000 for Wyoming.
- In Lake County, Perry Local Schools and the Fairport Harbor Exempted Village School District share a treasurer, with reported savings of \$37,000 for Fairport Harbor and \$15,000 for Perry.

- In Fairfield County, Walnut Township Schools and Berne-Union Local Schools share a superintendent and treasurer. The districts report this saves \$40,000 for Walnut and \$60,000 for Berne-Union.
- In Fulton County, Patrick Henry Schools and Holgate Schools share a treasurer, resulting in an estimated saving of \$76,000.

Joint Purchasing and Office Supplies:

- The State of Ohio Cooperative Purchasing Program (Co-op) serves more than 2,000 political subdivisions, which purchased more than \$177 million in supplies and services. According to Co-op reports, over the past year and a half, the State's office supply contract was used by 462 different cooperative members – cities, counties, school districts, etc. – and state agencies to purchase nearly \$19.6 million in office supplies at a discounted price of anywhere between 10 percent to 70 percent. At the 10 percent savings level, the governmental entities would save \$1.96 million over 18 months – or nearly \$109,000 a month – on the purchase of office supplies.
- The Jefferson Co/OMERESA Cooperative Purchasing Consortium, which serves 63 entities, reports purchases totaling more than \$1.3 million in a year, with savings averaging 40 percent.
- The Sourcing Office, which serves 296 governmental entities, reported to save 10 percent to 30 percent on purchases, or about \$2 million this year.
- Montgomery County has negotiated a purchasing agreement with Staples, which the county reports will benefit counties, cities, villages and townships throughout Ohio.

Workers' Compensation:

- Ohio SchoolComp, offered by the Ohio Association of School Business Officials and Ohio School Boards Association, serves 444 entities in two group rating programs. The associations report that its members saved nearly \$195 million in one program over ten years and more than \$8.5 million in the second program since 2009.
- The County Commissioners Association of Ohio reports it has saved members more than \$36 million in premiums over the past 20 years and a 15 percent rebate this year on its rating program.

Pooled Healthcare:

- A study by the Mercer Group indicated potential savings from pooling healthcare insurance purchases among Ohio school districts and institutions of higher education could result in savings of up to \$318 million, or about six percent in costs.

Economic Development

- In 2009, Summit County and City of Akron entered into an agreement to consolidate Akron's building department into the county's Division of Building Standards. In 2011, the City of Cuyahoga Falls, City of Tallmadge and Village of Silver Lake followed suit. As a result, Summit County reports that it now performs building permit and inspection services in 25 of the county's 31 communities and estimates an accumulated savings of nearly \$1.2 million. At the same time, Akron, Cuyahoga Falls and Tallmadge report they have been able to save money by not funding separate operations.
- The Regional Income Tax Authority (RITA) started as 38 communities in northeastern Ohio looking to achieve efficiencies of scale and uniformity in the collection of municipal income taxes in Ohio. Today, RITA encompasses 187 member communities in 59 counties throughout Ohio. RITA reports they have achieved efficiencies that allow them to operate at a cost to members of just three percent of their revenues.
- The State of Ohio has begun a significant collaboration and coordination effort through the development of the "JobsOhio Network." This network creates the catalyst for local government collaboration in the area of economic development through a partnership with six regional organizations; Columbus2020, Team N.E.O, Regional Growth Partnership, Ohio Appalachian Business Council, Cincinnati USA Regional Chamber, and the Dayton Development Coalition.

Health and Human Services

Developmental Disabilities:

- The 18 counties of Ohio Developmental Disabilities (DD) Region V have formed a planning collaborative to standardize processes and share duplicative administrative services. Fifteen counties in Ohio report they are reducing local costs by sharing DD superintendents and other key staff members.
- The counties of Westcon (Auglaize, Darke, Hardin, Logan, Mercer, Miami, Preble, Shelby and Union) have reported joining together to expand training for early intervention and autism therapy, which the counties say empowers parents to have access to effective, family-focused and affordable therapy and intervention for young children with autism.

County Jobs and Family Services Departments:

- The Ohio Job and Family Services Directors Association reports that many county jobs and family services departments have merged with public children's services, child support enforcement, and workforce development agencies. From the most recent accounts, there currently are 41 agencies that combine all four functions, 29 agencies that combine three functions and 15 agencies that combine two functions.
- Lucas County Job and Family Services reports it will be merging with the county child support enforcement agency in January, 2012.

Local Health Departments:

- In 1985, there were 153 local health departments in Ohio. Today, through mergers, there are 126.
- The City of Akron Health Department and the City of Barberton Health District joined Summit County Health District, creating a united, countywide public health district that has been recognized with a 2011 Crown Communities Annual Excellence Award from *American City & County* magazine. The new district reports that through realignment of personnel and regionalization of inspections, food safety sanitarians have increased the number of inspections from 170 to 300 per sanitarian, while licensing fees charged to restaurants have been reduced.

Aging:

- The Ohio Department of Aging reports it provided local PASSPORT administrative agencies significant savings in process improvements related to hospital discharges to nursing facilities through the recent development and implementation of the Hospital (Convalescent) Exemption from Preadmission Screening Notification (HENS) system. The department reports this technology solution replaced a manual process and has achieved great efficiencies.

Case Management:

- Under Project Collabor8, seven counties (Delaware, Knox, Wood, Hancock, Marion, Morrow and Sandusky) function as one, pooling applications for Medicaid, food stamps and cash assistance. These counties say they expect to see efficiency improve by 30 percent and point to a virtual call center and case management system that allows applications to be completed nearly instantaneously over the phone. Project Collabor8 partners also report a number of other initiatives to share scanning and other administrative functions.

Educational Instructional Support

Employee Recruitment, Training and Deployment:

- The Educational Service Center of Central Ohio provides a shared substitute teacher scheduling network to 11 school districts and a substitute teacher recruitment network to three districts. Olentangy Local Schools reports an estimated savings of about \$540 per day, or \$81,000 per year.
- The Ohio 8 Council, representing the state's eight major urban school districts and its teachers' unions, plans to share the recruitment of teachers across their districts, which represent more than 200,000 students.
- The Medina County ESC employs eight registered nurses and licensed practical nurses, and 11 part-time health aides at 20 buildings in four participating districts. The ESC says that charges to the four districts total \$270,085, or approximately 65 percent of what the districts would otherwise have to pay if these employees were on the districts' pay scales
- The ESC of Central Ohio has developed a shared services model for 14 of its member districts designed to recruit, train, process, deploy, and pay substitute teachers and other personnel. The consortium has over 5,000 employees who require a substitute when absent, supported by a pool of approximately 1,800 substitutes. Participating districts are reported to enjoy a 98.5 percent fill rate for absent employees who require a substitute.
- The Medina City Schools and Brunswick City Schools joined together in 2010 to hire substitute teachers through the Medina County Educational Service Center. The ESC says it averaged 50 substitute teachers per day for each of the districts, saving at least \$500 daily on substitute teacher costs.
- The Hamilton County ESC reports that it employs three full-time professionals to support districts in attendance services. According to the ESC, these personnel make attendance and truancy-related home visits, do residency checks, operate a diversionary court for first-time offenders, and represent districts in juvenile court.

Library and Media Center Staffing:

- INFOhio provides core services including library management software, curricular resources, and educational technology services to support academic content standards and effective instruction for all schools. INFOhio serves 2,400 public schools and 150 nonpublic schools representing 1.2 million students. According to INFOhio, it currently provides an annual cost savings of \$43,500,000 to the State of Ohio.

Staff Contract Negotiation:

- The Stark County Educational Service Center offers a general counsel to its 18 affiliated districts to reduce overall legal expenditures and to eliminate overlapping work and expenses among districts when they seek legal assistance. The ESC reports the program has resulted in an average annual savings of \$8,000 per participating district.

Food Service Operation:

- Buckeye Local School District in Jefferson County and the Harrison Hills City School District in Harrison County have partnered to raise efficiency and effectiveness of food and transportation services. Each district reports saving an estimated \$50,000 a year.
- A study by Ohio Education Matters, *Benchmarking Ohio's School Districts: Identifying Districts That Get More for Their Money in Non-instructional Spending*, estimates that Ohio school districts could save \$141 million (22 percent) in food service if they were to emulate the best practices of the best-in-class peers.

Public Works

- The Summit County Engineer's Office opened their paving bid process to other communities in Summit County in 2011. The office estimates that purchasing power created by bidding for pavement maintenance items as one unit leads to a smaller per unit cost for all participants, while the municipalities still maintain local control over the projects.

Equipment Purchasing:

- Ohio Department of Public Safety (DPS) administers a federal program that allows local public safety departments to purchase vehicles at lower cost. In 2011, according to DPS, 26 Ohio police departments, fire departments, park districts and county sheriff's offices purchased a total of 64 public safety vehicles through this program at an estimated savings of almost \$500,000.

Public Safety/911 Systems

- MARCS is a statewide first-responder radio system; however, there are still 1,337 discrete radio systems that could utilize MARCS as their primary platform if investments are made to transform MARCS into a P-25 network. A 2010 study by RCC Consultants indicates that \$500 million to \$1 billion in savings to ongoing capital and operating expenses could be achieved through migration to the MARCS platform and creating a statewide system of systems.⁹

Fleet Management

- The Meigs County Highway Department, three Meigs County school districts and three Athens County school districts report they are studying shared fuel purchasing through the Athens-Meigs Educational Service Center. These entities purchase a total of 280,000 gallons of fuel annually.
- The City of Hamilton and Butler County are considering a shared fuel depot with an annual usage of 150,000 gallons.
- Swanton, Providence and Waterville townships in Lucas County have reported they have joined together to purchase road maintenance equipment.

Vehicle Purchases:

- The State's Cooperative Purchasing Program is used by many local governments to purchase passenger vehicles, vans, trucks, ambulances and law enforcement vehicles. In FY 2011 this amounted to total purchases of \$4.8 million, according to the Department of Administrative Services.
- According to information provided by the ESC of Central Ohio, existing consortia such as the Metropolitan Education Council (MEC) account for approximately 50 percent of the school buses purchased annually.

Facilities

- The Power 4 Schools program – a partnership of the Buckeye Association of School Administrators, Ohio Association of School Business Officials, Ohio School Boards Association and Ohio Schools Council – reports a 16 percent savings on electricity purchases and offers a natural gas purchasing pool as well.
- County Commissioners Association of Ohio (CCAO) has a pooled electric purchasing service and a pooled natural gas program. CCAO reports an average savings of 18 percent on electricity purchases.
- The Sourcing Office, a regional council of governments, has separate electricity purchasing pools for small and large organizations.
- The State of Ohio's natural gas purchasing program currently includes 219 political subdivision participants including counties, cities, townships, school districts, libraries, metro parks and villages, with a reported annual savings of over \$4 million.
- The City of Green opened its new 53,671-square-foot central administration building in September 2009, which houses both City of Green and Green Local School administrative offices.
- In Wadsworth, the new high school includes space for a community athletic pool/gym, a local library, and healthcare services.

Section 9: Call to Action

We know the steps – and the mind-set – needed to make progress: school and community leaders working across boundaries and sometimes acknowledging a different entity could do something better. Both are necessary to ensure a bright and prosperous future for Ohio. Assuring that future will require taking strong, concerted leadership now.

One guiding principle behind the recommendations in this report is seeking out “centers of excellence” and/or “leading providers” to serve as examples for the most efficient expansion of the shared services concept across Ohio. An important element to success will be the development of a public sector marketplace among shared service providers, supported by informed local government decision makers. Through creativity, innovation and choice, the shared services concept will lead to continuous improvement, not just substituting one way of doing things for another. By sharing services, we are being smart with taxpayer monies, thus saving funds that can be used elsewhere. Sharing services is fundamentally a matter of sharing savings.

Make no mistake, three important steps are necessary for this effort to succeed. First, the administration and legislature must continue making the statutory and policy changes needed to expedite the use of shared services across Ohio. Second, information and tools are needed by local leaders to realize the shared services opportunities available to them. Local leaders need state-level comparable data to help them determine where shared services opportunities make sense. Third, local leaders have to take immediate, broad action. This requires leadership and vision from all. The overriding objective of this plan is to provide leaders a roadmap for taking these next steps.

Appendix:

I. Survey Methodology

“Shared Services” is frequently interpreted differently by government bodies. Some see shared service as a strict monetary/contractual agreement while others see it as a broader relationship between government entities. As the policy initiative was being discussed during the budget process, it became apparent that these variances in definitions made it difficult to assess the frequency and strength of shared service agreements across the state. Thus, the legislature called for a survey of shared service practices prior to the development of this report.

The Shared Services Survey identified broad categories of shared services opportunities and almost 100 types of shared services examples to represent thousands of ongoing collaborations across Ohio.

The survey was designed to:

- Identify how publically funded organizations across Ohio are currently sharing services and/or have plans to share services;
- Identify best practice shared services delivery models with the potential for cost savings and/or improved service delivery if replicated;
- Identify the conditions for success that characterize successful shared services initiatives;
- Identify obstacles and barriers to successful sharing of services.

Discussions regarding the parameters of the survey instrument began in September 2011, when drafts were circulated among deliverables team members and the leadership of various stakeholder associations. Meetings with stakeholders were held to allow for additional survey input, finalize respondent lists and provide updates on project timelines so that all could ask clarifying questions or provide additional feedback. Survey questions were edited and finalized in early October 2011.

Questions were organized into four categories:

- Respondent demographic information;
- Current state of shared services in Ohio;
- Plans for future shared services;
- Public policy.

The Shared Services Survey was sent to 5,867 local government and school leaders across Ohio. The 15-question survey was provided to the stakeholders to inventory the current state of shared services in 91 different topic areas and collected information on the future of shared services. 1,789 completed the survey, for a 30.5 percent rate of return. In November and December, the deliverables team analyzed the survey data and developed recommendations for Beyond Boundaries- A Shared Services Action Plan for Schools and Local Government.

Associations that participated in the development and distribution of the survey included:

- Buckeye Association of School Administrators
- Buckeye State Sheriffs' Association
- Catholic Conference of Ohio
- County Auditors' Association of Ohio
- County Commissioners Association of Ohio
- County Engineers Association of Ohio
- County Treasurers Association of Ohio
- Inter-University Council of Ohio
- Ohio Alliance of Public Charter School
- Ohio Association of Career-Technical Superintendents
- Ohio Association of Community Colleges
- Ohio Education Service Centers Association
- Ohio Association of Independent Schools
- Ohio Association of Municipal Court Clerks
- Ohio Association of Regional Councils
- Ohio Association of School Business Officials
- Ohio Clerk of Courts Association
- Ohio Fire Chiefs' Association
- Ohio Hospital Association
- Ohio Housing Authority Conference
- Ohio Judicial Conference
- Ohio Library Council
- Ohio Municipal League
- Ohio Parks and Recreation Association
- Ohio Prosecuting Attorneys Association
- Ohio Public Transit Association
- Ohio Recorders' Association
- Ohio Sanitary Engineers Association
- Ohio School Boards Association
- Ohio State Coroners Association
- Ohio Township Association
- Organization of Solid Waste Districts of Ohio
- The Success Group (OPTA)

The Ohio Department of Education also distributed the survey link to treasurers of traditional public school districts, joint vocational school districts, and community schools and principals of chartered non-public schools.

The following pages provide a summary of procedures and rules for cleaning the data and information related to the survey respondents.

Data Cleaning and Reconciliation for Ohio Shared Services Survey

When the Ohio Shared Services Survey closed on 10/31/11, the survey data set included 3,971 responses (1,690 completed surveys and 2,281 partially completed surveys). Partially completed surveys for which no shared service data existed were removed from the survey data set. Partially completed surveys which had only junk, or “dummy”, data beyond the required fields were also removed from the data set.

Duplicate surveys (both partially completed and completed surveys) were evaluated for duplicate name and address information within an organization type. If the survey duplicates included a completed survey, then any respective partially completed surveys were removed. If there was more than one completed survey, the respondent contact information was compared and the survey completed by the individual with the highest level/role was kept. If an organization did not select one of the predetermined organization types, the organization type reported was reviewed to determine if a new organization type was needed (such as the boards of developmental disabilities) or if the reported type should be included in one of the predetermined categories.

Surveys submitted by respondents who were out of scope (i.e. non-profit organization) were removed from the data set.

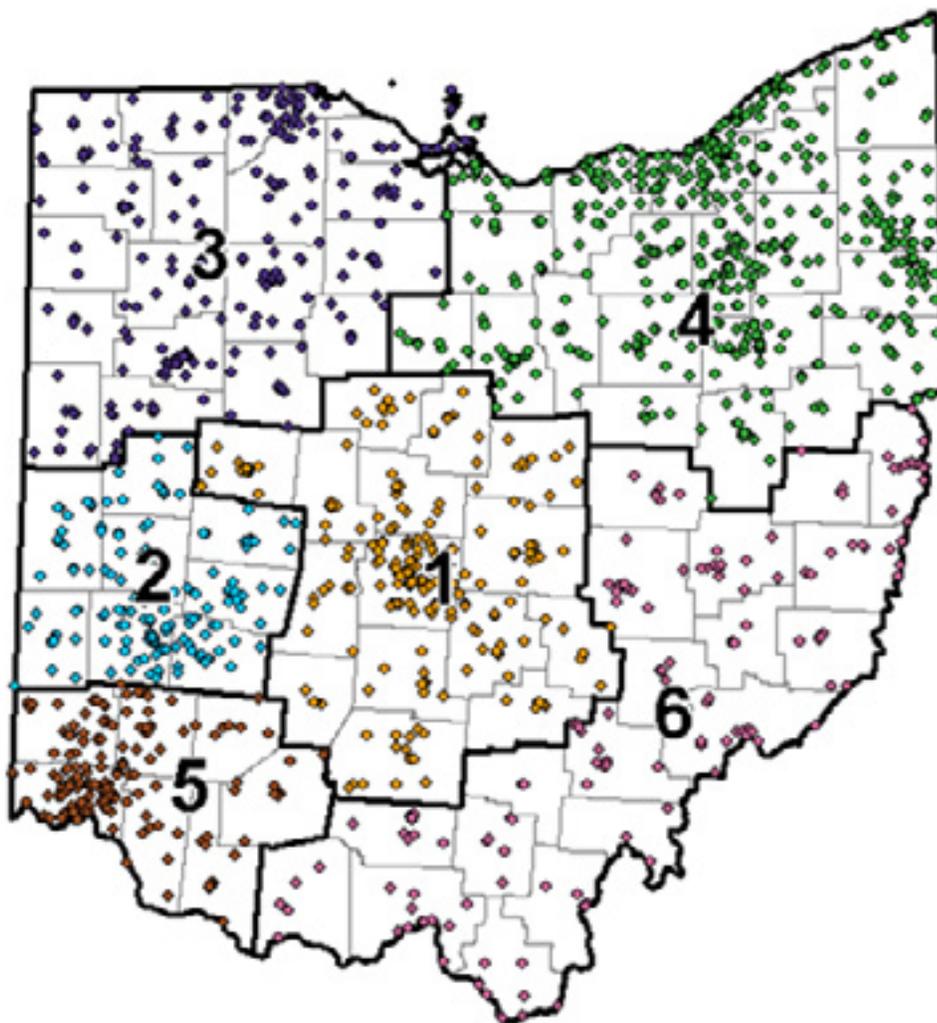
Upon completion of this review, a total of 1,789 survey responses were analyzed and summarized for this report. Below is a list of the organization types participating in the survey, the number of potential survey responses and the number of actual survey responses:

Table a1
Survey Respondents Information

Government Entities	Entities	Responses	% of Survey	% of Entity
a. Traditional school district	614	598	33.4%	97.4%
b. Joint vocational school district	49	49	2.7%	100.0%
c. Community schools	356	66	3.7%	18.5%
d. STEM School	1	1	0.1%	100.0%
e. Chartered non-public (Private) school	826	120	6.7%	14.5%
f. Educational service center (ESC)	56	56	3.1%	100.0%
g. Information technology center (ITC)	22	22	1.2%	100.0%
h. Education technology center (Ed Tech)	8	6	0.3%	75.0%
i. County office (Commissioner)	88	35	2.0%	39.8%
j. County office (Auditor)	88	32	1.8%	36.4%
k. County office (Engineer)	88	48	2.7%	54.5%
l. County office (Sheriff)	88	12	0.7%	13.6%
m. County office (Recorder)	88	53	3.0%	60.2%
n. County office (Treasurer)	88	10	0.6%	11.4%
o. County office (Coroner)	88	7	0.4%	8.0%
p. County office (Prosecuting Attorney)	88	10	0.6%	11.4%
q. County office (Clerk of Courts)	88	37	2.1%	42.0%
r. Municipality or village	932	73	4.1%	7.8%
s. Court	720	72	4.0%	10.0%
t. Township	1308	148	8.3%	11.3%
u. Hospital	17	2	0.1%	11.8%
v. College or university	37	37	2.1%	100.0%
w. Joint fire or ambulance district	130	1	2.1%	0.8%
x. Library district	251	145	8.1%	57.8%
y. Metropolitan housing authority	15	10	0.6%	66.7%
z. Park district	90	15	0.8%	16.7%
aa. Solid waste management authority	52	31	1.7%	59.6%
bb. Transit authority	46	10	0.6%	21.7%
cc. Water and sewer district	42	5	0.3%	11.9%
dd. Metropolitan planning organization	23	11	0.6%	47.8%
ee. Council of government (COG)	Unknown	7	0.4%	n/a
ff. Other (please specify)	Unknown	9	0.5%	n/a
gg. Board of developmental disabilities	88	51	2.9%	58.0%
TOTAL	5,867	1,789		

The survey respondents provided an expansive dataset representative of geography, types of government entities, and breadth of shared services activity to date in Ohio and, to the extent of our research, in the nation. Map a1 is a geographic representation of the headquarter locations of the survey respondents organized into the six economic regions of the state used in the Auditor of State's Shared Service Idea Center.

Map a1
Geographic Location of the Survey Respondents



II. Survey Results Summary

Respondents were asked to identify specific shared services agreements in which they were participating. Table a2 reflects the total reported shared services projects by county. There is potential for significant duplication in these numbers, because projects with multiple entities may have been reported by each of the participants responding to the survey.

Table a2
Reported Shared Services Projects by County and Region

Central (1)		Northwest (3)		Northeast (4)		South (5)	
County	Total	County	Total	County	Total	County	Total
Delaware	185	Allen	663	Ashland	193	Brown	146
Fairfield	412	Auglaize	234	Ashtabula	374	Butler	420
Fayette	89	Defiance	209	Carroll	75	Clermont	321
Franklin	848	Fulton	282	Columbiana	412	Clinton	90
Hocking	116	Hancock	328	Crawford	213	Hamilton	1040
Licking	435	Hardin	116	Cuyahoga	1286	Highland	67
Logan	183	Henry	149	Erie	377	Warren	383
Madison	179	Lucas	535	Geauga	407	Southeast (6)	
Marion	306	Mercer	273	Holmes	91	County	Total
Morrow	97	Ottawa	246	Huron	309	Adams	118
Perry	177	Paulding	85	Lake	451	Athens	194
Pickaway	160	Putnam	290	Lorain	578	Belmont	261
Ross	293	Sandusky	142	Mahoning	558	Coshocton	100
Union	152	Seneca	195	Medina	464	Gallia	108
West Central (2)		Van Wert	172	Portage	476	Guernsey	127
County	Total	Williams	179	Richland	388	Harrison	37
Champaign	162	Wood	389	Stark	1178	Jackson	91
Clark	358			Summit	994	Jefferson	206
Darke	209			Trumbull	879	Lawrence	206
Greene	570			Tuscarawas	235	Meigs	35
Miami	433			Wayne	348	Monroe	32
Montgomery	917					Morgan	27
Preble	346					Muskingum	328
Shelby	166					Noble	84
						Pike	122
						Scioto	270
						Vinton	33

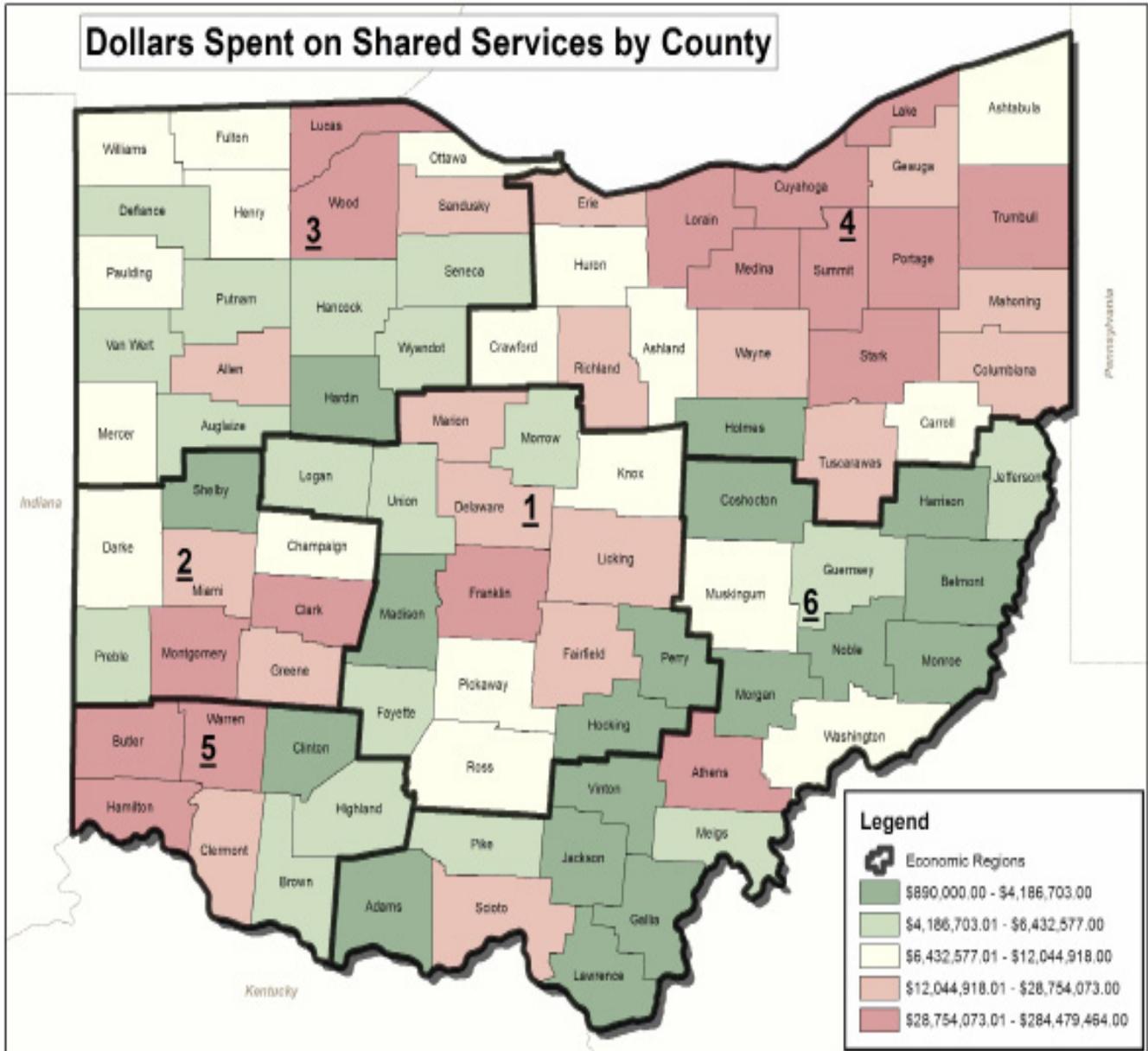
Table a3 identifies the types of entities who most often deliver shared services. In addition to the entities listed here, the survey and other stakeholders identified many other entities activity as the lead or provider of shared services. Over 50 examples are provided as bullet points in Section 8 of *Beyond Boundaries*. In addition, information portals recommended in this report will expand on those points and provide contact information, enabling readers to follow their specific interests and seek opportunities to begin participating in one or more of the programs.

The survey confirmed Ohio’s existing 55 educational service centers (ESCs), 23 information technology centers (ITCs) and eight education technology centers (ETCs) have the capacity and are appropriate to function as the provider network for the regional provision of shared services for schools and local governments. Created to function as regional shared service centers, they retain the experience and capacity to efficiently deliver or broker extensive shared services offerings in core areas of technology, administration and educational support.

Table a3
Entities Delivering Shared Services

School District	38.00%
ESC	32.80%
Municipality	19.00%
ITC	15.90%
University	14.30%
Township	10.70%
JVSD	9.50%
Commissioners	6.10%
Council of Governments	5.90%
Library	5.40%

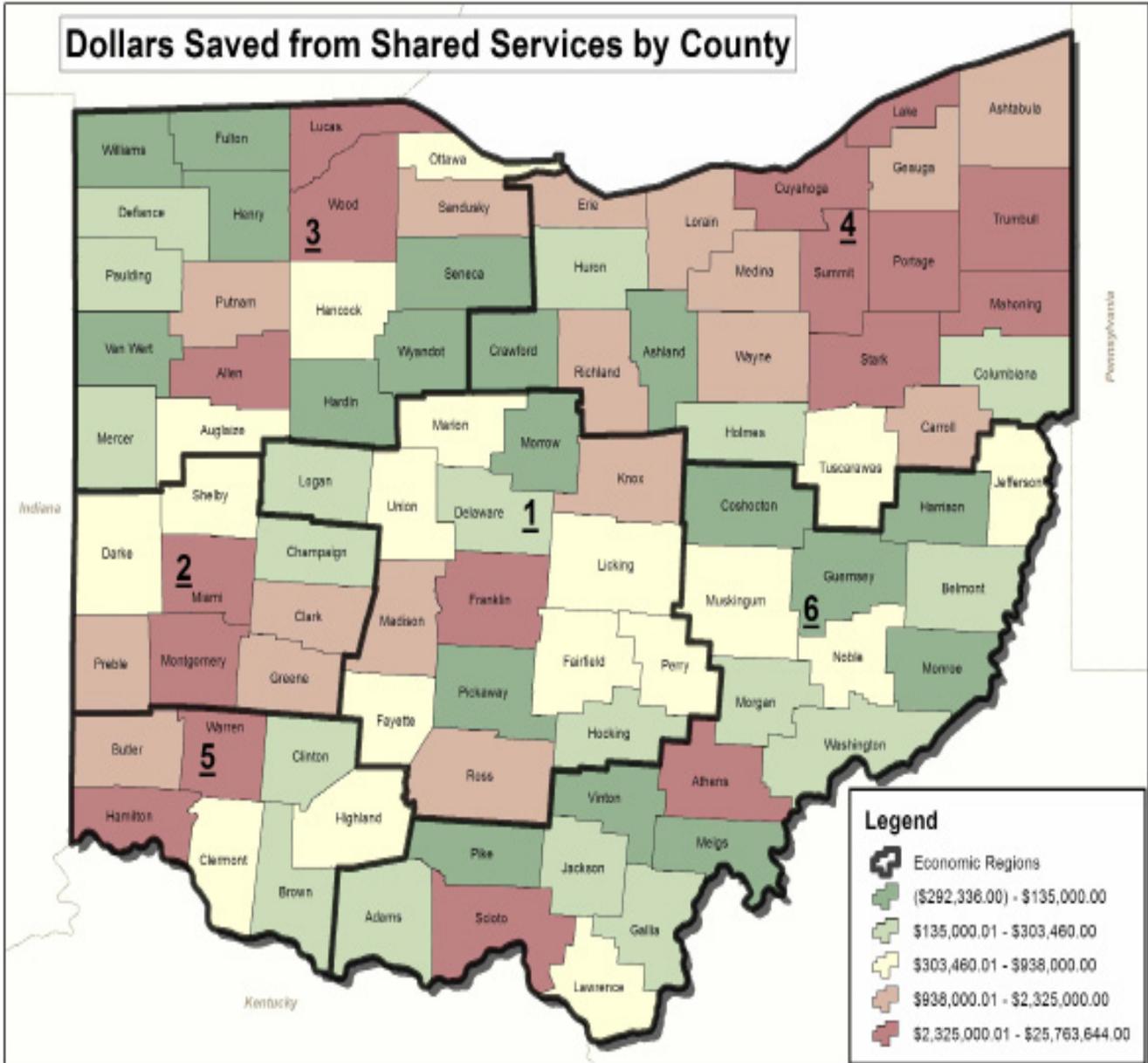
Map a2
Reported Shared Services Spending



Source: Shared Services Survey, October 2011

Survey respondents reported combined annual operating expenses of \$36 billion, of which about \$2.6 billion is spent through shared services arrangements. Map a2 depicts the shared services expenditures by county and region. Again, it is very likely that these amounts may include duplicate accounts for some collaborative projects.

Map a3
Reported Shared Services Savings



Source: Shared Services Survey, October 2011

Total savings from the reported shared services projects is \$176 million, however many respondents reported no savings, which is counter to many of the individual examples compiled during the preparation of this report. It is also true that collaboration can be used to avoid costs or to extend or provide new services with greater efficiency, which may create a benefit to taxpayers and citizens, but not necessarily provide an opportunity for reported savings.

III. Detailed Survey Findings

The following pages detail survey findings in specific areas of shared services activity. The findings are grouped in the nine broad categories used in the Auditor of State’s Shared Service Idea Center. These categories are technology, administration, public works, public safety/911 systems, education-instructional support, economic development, health and human services, fleet management, and facilities. The percentages shown in the tables are calculations made from the 1,789 responses which are identified in table a1.

Technology

A discussion of technology related to shared services is important for three reasons. First, the amount of money schools and local government spend on technology warrants attention. Second, technology has been one of the first places local leaders pursued shared services. The survey results revealed that ten of the top 30 shared services opportunities being pursued fall within the information technology category. Third, standardization of technology platforms and equipment and the consolidation of datacenters will accelerate opportunities for cloud computing techniques and facilitate shared service opportunities in other areas such as administration, human resources, purchasing, facilities and fleet maintenance, staffing, and capital planning. Table a4 summarizes the types of shared services activities in the area of technology reported by local jurisdictions.

<i>Table a4: Reported Shared Services Activity</i>	Received Services	Provide Services	Planning Services
TECHNOLOGY			
Audio-visual, copier or facsimile equipment	22.4%	4.9%	0.6%
Server, storage or network deployment	46.5%	6.8%	4.6%
Datacenter or collocation of technology infrastructure	37.5%	8.0%	2.8%
End-user device management and support	31.1%	4.5%	1.5%
Application development, database administration	31.7%	5.5%	2.2%
Application hosting	30.6%	4.9%	1.0%
Website design, maintenance, or hosting	23.4%	5.4%	1.0%
Telephone, VoIP and/or hosting	42.5%	5.5%	3.0%
Computer and Software licensing and subscription	35.1%	5.0%	1.5%
Data recovery, disaster recovery	32.9%	4.2%	1.0%
Other technology	17.9%	5.6%	2.05%

The 1,789 respondents to the Shared Services Survey indicate that, together, they have 14,842 computer servers. Table a5 provides a detailed breakdown of the types of equipment by type of government entity.

Table a5

Local Governmental Entities Ranked By Virtualization Density		
Entity	Physical	Virtual
g. Information technology center (ITC)	487	1,244
c. Community school	78	149
y. Metropolitan housing	18	26
v. College or university	5,810	6,285
b. Joint vocational school district	565	571
dd. Metropolitan planning organization	47	41
e. Chartered non-public (Private) school	143	93
m. County office (Recorder)	88	57
f. Educational service center (ESC)	240	153
gg. Board of developmental disabilities	189	114
cc. Water and sewer district or authority	43	25
p. County office (Prosecuting Attorney)	2	1
x. Library district	735	348
i. County office (Commissioner)	308	141
h. Education technology center (Ed Tech)	32	13
j. County office (Auditor)	115	42
a. Traditional school district	5,171	1,872
r. Municipality or village	145	50
t. Township	150	42
ff. Other (please specify)	4	1
q. County office (Clerk of Courts)	71	17
k. County office (Engineer)	42	10
bb. Transit authority	54	12
aa. Solid waste management authority	19	4
l. County office (Sheriff)	20	4
s. Court	157	26
ee. Council of governments (COG) not listed above	16	2
z. Park district	18	2
o. County office (Coroner)	-	-
u. Hospital	71	-
w. Joint fire or ambulance district	-	-
d. STEM school	3	-
n. County office (Treasurer)	1	-
All	14,842	11,345
K-12	6,735	4,097
Local Government	2,297	963

Administration

Ohio has the potential for substantial savings through pooled purchasing and shared services. Table a6 summarizes the types of shared services activities reported by local jurisdictions in Ohio and clearly shows a great deal of administrative shared services currently exists. However, less than half of the entities surveyed participated in a shared service arrangement; even among traditional school districts which have an established system for shared programming. The survey provides insight into the potential for growth in shared services across all administrative services, including services like purchasing where there are ample providers now offering discounted prices through joint or shared purchasing agreements. For instance, only 49 percent of traditional Ohio school districts reported purchasing office supplies through shared services arrangements.

<i>Table a6: Reported Shared Services Activity</i>	Received Services	Provide Services	Planning Services
ADMINISTRATION			
Administration office space	11.9%	9.2%	0.8%
General administration staff	13.3%	7.4%	1.9%
Grant administration	10.2%	7.3%	0.4%
Management staff	7.7%	4.9%	1.2%
Joint purchasing	34.3%	7.1%	4.0%
Human resources	14.9%	4.4%	1.0%
Staff contract negotiation	6.0%	1.2%	0.0%
Purchasing of heating fuel	7.2%	0.7%	0.1%
Purchasing of natural gas	26.3%	1.8%	0.4%
Purchasing of electricity	28.7%	2.0%	1.3%
Purchasing of alternative energy	1.5%	0.2%	0.4%
Purchasing of gasoline and diesel fuel	17.3%	3.0%	1.2%
Purchasing of office supplies	28.7%	2.5%	0.6%
Purchasing of maintenance supplies	22.9%	2.2%	0.3%
Food service operation, hiring, purchases	13.0%	3.6%	0.8%
Food service RFP and contract award	6.0%	1.0%	0.2%
Business services such as payroll, accounts	13.4%	6.1%	2.3%
Benefits management	22.9%	3.4%	0.3%
State or federal grant administration and reporting	10.5%	5.6%	0.3%
Insurance - general liability	30.2%	2.9%	0.4%
Insurance - worker's compensation	35.7%	2.5%	0.3%
Pooled healthcare	37.1%	4.0%	2.9%
Printing services	9.7%	3.1%	0.1%
Audit RFP and contract	11.9%	0.9%	0.0%
Other Administration	8.6%	4.5%	0.8%

Economic Development

Based on the survey data, as summarized in table a7, it would appear that few Ohio entities currently participate in or plan on pursuing additional shared services in the area of economic development. This is concerning, given the need for every competitive advantage in pursuing economic development. Further investigation is needed to determine how best to catalyze local and municipal government into pursuing shared services in ways that help ensure Ohio's economic growth and taking advantage of the Jobs Ohio Regional Network.

Table a7: Reported Shared Services Activity	Received Services	Provide Services	Planning Services
ECONOMIC DEVELOPMENT			
Staffing	2.6%	1.8%	0.4%
Databases/technology	4.7%	1.7%	0.3%
Marketing/advertising/outreach	5.1%	1.8%	0.3%
JEDD/revenue sharing	2.7%	0.8%	0.3%
Land use planning	5.9%	3.1%	0.2%
Corporate/industrial park	1.2%	0.8%	0.0%
Tax incentives	8.1%	2.9%	0.2%
Other economic development	4.8%	3.2%	0.5%

Health and Human Services

The survey data, as summarized in table a8, did not reveal significant utilization of shared services in the area of health and human services, however, some excellent promising practices and individual examples of collaboration are identified in Section 8 of *Beyond Boundaries*. To further understand the use of shared services in this category, the Governor's Office of Health Transformation (OHT) and the health and human services (HHS) state agencies encouraged participation by the local entities' representative organizations in the regional shared services stakeholder meetings. OHT will also conduct focus sessions with local HHS agencies to identify specific objectives for their participation in regional initiatives with other types of entities.

Table a8: Reported Shared Services Activity	Received Services	Provide Services	Planning Services
HEALTH AND HUMAN SERVICES			
Executive/administrative staff	2.5%	1.2%	0.2%
Client services staff	3.5%	0.9%	0.2%
Client services equipment	1.1%	0.6%	0.1%
Client service delivery	3.6%	1.2%	0.3%
Other health and human services	7.9%	2.2%	0.5%

Education Instructional Support

The Shared Services Survey data, as summarized in table a9, indicate that schools actively participate in a variety of collaborative and shared educational service initiatives. The highest participation rates are in the areas of special education, special education related services, teacher and administrator professional development, curriculum development, school-improvement, early childhood, vocational education and alternative school programs.

For example, 97.45 percent of school districts receive shared services through an ESC. Participation rates in shared services for educational instructional support services tend to be higher among small (annual budget of \$0-9,999,999) and medium- sized (\$10,000,000 - \$49,999,999) districts. These high participation rates are the result of state requirements for local districts, which tend to be smaller, to team with ESCs and indicate a high reliance on educational service providers.

According to Shared Services Survey responses, over 90 percent of ESCs provide teacher and administrator professional development. However, only 56.4 percent of districts indicated they receive administrator professional development through a shared services arrangement while 70.4 percent utilize outside resources for teacher professional development.

Table a9: Reported Shared Services Activity	Received Services	Provide Services	Planning Services
EDUCATION INSTRUCTIONAL SUPPORT			
Purchasing of educational supplies	24.9%	5.5%	1.1%
Textbook selection and purchasing	13.5%	3.3%	0.4%
Special education	32.4%	13.2%	3.2%
PT, OT, speech and other therapy services	34.9%	7.7%	1.8%
School-based medicare health services billing	15.9%	2.2%	0.1%
Alternative education programs	23.6%	7.5%	2.0%
Pre-K programs	22.2%	9.1%	0.9%
After school programs	9.4%	6.3%	0.5%
Counseling services	17.6%	4.1%	0.7%
School nurses or other health services	17.3%	4.5%	0.4%
Administrator professional development	24.2%	6.4%	0.6%
Teacher professional development	31.7%	9.4%	2.3%
Curriculum development	24.7%	7.0%	1.3%
Teacher coaching or mentoring	19.8%	5.8%	0.8%
School improvement services	19.5%	3.7%	0.85
Supervision/evaluation of staff	7.7%	4.0%	0.6%
Vocational education services	22.6%	5.8%	0.8%
Music/art/physical education teaching staff	4.2%	2.6%	0.2%
Reading specialist	5.6%	2.8%	0.1%
Library and/or media center	5.1%	2.6%	0.3%
Other education - instructional support	14.8%	10.3%	2.5%

Public Works

Although representatives of all 32 types of local governmental entities reported some level of participation in shared services in the area of public works, four types of governmental entities responded in both numbers and percentages that were significantly greater than all others. The data, summarized in table a10, for these four types of governmental entities – county engineers, municipalities, townships and traditional school districts – indicate that, for them, shared services in public works are both normative and sustained.

Survey data for county engineers, municipalities, townships and traditional school districts point to an important role played by county engineers. The average percentage response by municipalities, townships and traditional school districts to the question of whether they received shared services in the nine categories was 19 percent, while for the same three types of governmental entities the average percentage response to the question of whether they provided shared services was just five percent. This difference indicates that these three types of governmental entities are far more likely to be receivers of shared services rather than providers of shared services.

However, for county engineers the responses indicated a very different role. The average percentage response by county engineers to the question of whether they received shared services was 15 percent, while the average percentage response to the question of whether they provided shared services was 45 percent. This indicates that county engineers are far more likely to be providers of shared services than receivers of shared services. It is reasonable to conclude also that county engineers are providing the shared services that municipalities, townships and traditional school districts are reporting as receiving.

<i>Table a10: Reported Shared Services Activity</i>	Received Services	Provide Services	Planning Services
PUBLIC WORKS			
Paving	11.1%	3.3%	0.6%
Infrastructure maintenance	9.2%	3.9%	1.0%
Capital improvements	9.2%	2.9%	0.9%
Stormwater	6.5%	2.1%	0.6%
Planning	6.7%	3.3%	0.3%
Equipment of vehicle purchase	14.9%	2.0%	0.6%
Salt purchase or storage	19.2%	4.5%	0.8%
Snow removal	12.1%	5.5%	0.9%
Other public works	5.8%	3.4%	1.0%

Public Safety/911 System

Public safety is a fundamental service provided by most local governments in Ohio. As a result, it has an inherently fragmented service delivery system, with functions residing at multiple levels of government: municipal, township, county and statewide. This offers extensive opportunities for leveraging assets and systems for greater efficiency and improved service delivery.

The Shared Services Survey, as summarized in table a11, shows that the highest areas of shared services activity center around combined communication systems with additional activity in joint staffing and equipment purchasing. The creation of joint districts is reported as being pursued to a lesser degree. Townships and municipalities each report participation in shared dispatching at over 20 percent and park districts leading in the use at 46.7 percent. Shared communication systems are reported by almost all local government respondents at rates between 20 and 40 percent. Shared staffing and equipment purchasing are frequently reported at rates between 10 and 30 percent.

<i>Table a11: Reported Shared Services Activity</i>	Received Services	Provide Services	Planning Services
PUBLIC SAFETY			
Consolidated/joint district	3.5%	1.1%	0.7%
Joint dispatch	5.5%	1.8%	1.0%
Communications system	10.7%	2.3%	0.3%
Equipment purchase	7.2%	2.2%	0.4%
Staffing	9.0%	2.7%	0.8%
Other public safety	10.3%	5.4%	0.9%

Fleet Management

Table a12 summarizes the types of shared services activities in the area of fleet management reported by local jurisdictions. In the fleet management category, the highest area of shared services participation is in vehicle purchasing, where cooperative or consortium purchasing is used quite extensively to acquire vehicles for the various public entities. With a participation rate of 18.6 percent of all survey respondents, shared vehicle purchasing is nearly twice as popular as the next two most-cited shared services – vehicle maintenance (9.9 percent) and transportation operations (8.8 percent).

Park districts, traditional school districts and colleges/universities were the most frequent users of shared vehicle purchasing with participation rates of 40.0 percent, 35.1 percent and 32.4 percent respectively.

The highest participation rates for entities receiving shared services were among transit authorities, boards of developmental disabilities and traditional school districts. The most frequent providers of shared services were transit authorities and county commissioners. The entities most interested in developing fleet shared services were transit authorities, boards of developmental disabilities and ESCs.

<i>Table a12: Reported Shared Services Activity</i>	Received Services	Provide Services	Planning Services
FLEET MANAGEMENT			
Transportation operation	8.8%	6.3%	3.5%
Transportation contract RFP and contract award	3.3%	0.9%	0.1%
Vehicle Purchase	18.6%	2.0%	0.8%
Vehicle Maintenance	9.9%	3.7%	1.3%
Vehicle routing and dispatch	4.6%	2.3%	1.6%
Other fleet management and operations	4.3%	3.0%	0.6%

Facilities

Table a13 summarizes the types of shared services activities in the area of facilities reported by local jurisdictions. In this category, public entities indicated shared services in the areas of public meeting space (17 percent), custodial and maintenance staff (12 percent), grounds maintenance (11 percent), athletic fields and gyms (11 percent), administrative space (11 percent) and facility maintenance (10 percent).

Generally, school entities had a much higher level of participation as purchasers/receivers than non-school entities in this category. However, schools were less likely to have shared services in custodial and maintenance staff than other entities and the reported participation in facility maintenance was about equal. The very low response in the area of shared capital planning indicates that future initiatives to share space are limited.

<i>Table a13: Reported Shared Services Activity</i>	Received Services	Provide Services	Planning Services
FACILITIES			
Administrative space	10.5%	9.1%	0.6%
Client services	2.2%	2.6%	0.2%
Public meeting space	17.0%	19.5%	0.9%
Athletic fields, gymnasiums	11.3%	9.4%	0.6%
Custodial and maintenance staff	11.5%	4.7%	0.6%
Auditoriums, theatre space	7.6%	7.2%	0.25%
Facility maintenance	9.9%	4.2%	0.8%
Facility maintenance RFP and contract award	2.3%	1.0%	0.1%
Capital planning	2.9%	1.6%	0.3%
General security services	9.7%	1.8%	0.1%
Grounds maintenance	10.6%	4.5%	0.6%

Endnotes

1. United States Census Bureau and the United States Department of Commerce, Bureau of Economic Research
2. *Special Report: State-Local Tax Burdens Fall in 2009 As Tax Revenues Shrink Faster Than Income*, Tax Foundation, February, 2011
3. *A Cost of Government Study for Northeast Ohio*, Center for Government Research (CGR), June, 2008
4. *The Cost of a Cloud: Research Problems in Datacenter Networks*, Albert Greenberg, James Hamilton, David A. Maltz and Parveen Patell, Microsoft Research, 2009
5. The deliverables team created this estimate using VMWare ROI TCO Calculator, Version 3.0
6. *Benchmarking Ohio's School Districts: Identifying Districts That Get More for Their Money in Non-instructional Spending*, Ohio Smart Schools Initiative, Ohio Education Matters and KnowledgeWorks, March 2011
7. *Economic Report*, Youngstown/Warren Regional Chamber of Commerce, January, 2012, using data from the National Center for Education Statistics, Common Core of Data website
8. *Analysis of School Employee Health Benefits*, Mercer Group study for School Employees Health Care Board, February 28, 2011
9. MARCS Steering Committee P-25 analysis, CCR, June 2010

Acknowledgements

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Ohio School Boards Association

Cheryl Subler
County Commissioners Association of Ohio

Kent Scarrett
Ohio Municipal League

Edward Albright
Ohio Municipal League

Matthew DeTemple
Ohio Township Association

Heidi Fought
Ohio Township Association

Kirk Hamilton
Buckeye Association of School Board Administrators

External Advisors (Continued)

Kevin Futryk
Ohio Association of Regional Councils

Woody Woodward
Ohio Parks & Recreation Association

Lynda Murray
Ohio Library Council

Damon Asbury
Ohio School Boards Association

Doug Bowen
Ohio Sanitary Engineers Association

Jim Troike
Ohio Sanitary Engineers Association

Chief Mike Warner
Ohio Fire Chiefs' Association

Bill Steiner
Organization of Solid Waste Districts of Ohio

Judith Will Fleming
Ohio Public Transit Association

Rick Ayish
The Success Group (OPTA)

Jennifer Flatter
The Success Group (OPTA)

Rick Frank
Ohio Hospital Association

Tom Pappas
Ohio Housing Authority Conference

Natalie Wise
Ohio Housing Authority Conference

Adam Hewit
Ohio Association of Municipal Court Clerks

Tony Brigano
Ohio Recorders' Association

Zach Holzaphel
Ohio Recorders' Association

David Corey
Ohio State Coroners Association

Michael P. Morrison
County Treasurers Association of Ohio

Robert Cornwell
Buckeye State Sheriffs' Association

Jennifer Lynch
Ohio Clerk of Courts Association

Fred Pausch
County Engineers Association of Ohio

Natalie Wise
County Auditors' Association of Ohio

Fran Lesser
County Auditors' Association of Ohio

John Murphy
Ohio Prosecuting Attorneys Association

Mark Schweikert
Ohio Judicial Conference

Donna Childers
Ohio Judicial Conference

Ron Abrams
Ohio Association of Community Colleges

Mike Suver
Inter-University Council of Ohio

Jolene Thompson
AMP Ohio

Beth Bickford
Association of Ohio Health Commissioners

Aaron Ockerman
Grant Street Consultants

Kyle Kutuchief
Sourcing Office

David Akers
Sourcing Office

Michael Beirne
American Municipal Power (AMP)

Cheri Walter
Ohio Association of County Health Behavioral Authorities

Joel Potts
Ohio Job and Family Services Directors Association

Chad Hibbs
Ohio Family and Children First Coordinators Association

Larke Recchie
Ohio Association of Area Agencies on Aging

Dan Ohler
Ohio Association of County Boards of Developmental Disabilities