



Shared Services Concepts

OASBO Shared Services Sub-Committee

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Belief Statement

The Ohio Association of School Business Officials (OASBO) believes that a Shared Services Model should be explored and implemented wherever possible. OASBO supports shared services when the model is effective in increasing the quality of services to students, parents and communities.

OASBO believes that functions usually considered school business operations should be fully reviewed for the feasibility of delivery through a shared services model. OASBO believes a regional model to deliver these shared services can only be successful after each function is thoroughly reviewed for inclusion in a sharing arrangement. The regional model must consider questions of governance, accountability, processes and quality improvement. We feel that OASBO, through its members, could be very helpful in the design of this system.

The following functional Areas should be considered when designing a Shared Services Model where quality could be enhanced and costs reduced:

1. Financial Services
2. Purchasing
3. Facility & Grounds Management Services
4. Custodial Services
5. Transportation Services
6. EMIS Services
7. Technology Services
8. Child Nutrition Services

Principles

1) Controlling Costs

- Outsourcing of functions. Costs must be compared to streamlining the current function. It is possible that the consideration of outsourcing may lead to more willingness of those performing the function to consider efficiencies. In order to make outsourcing a viable option changes to retirement laws should be considered.
- Coordination of processes. Processes are vital to gain efficiencies and effectiveness when sharing a service or function of government. If two entities share the "payroll" function but processes on timelines, leave practices, etc. are not coordinated, efficiencies may not be gained.

2) Local Government (LG) / School District (SD)

- Conduct a thorough cost vs. benefit analysis. The governments involved must be accountable to the public they serve and any sharing of service across government types must be transparent to the citizens.
- Service delivery must ensure that the community's needs continue to be met. A system that saves money but reduces services may lead to the lack of acceptance by citizens.
- Other governments services might be easily transferable to support classroom instruction such as library services, nursing services, etc.

3) Reporting - efficiency

- Develop an online reporting system on efficiency for the public disclosure. Make sure that the public is aware of the efficiency in operations that school districts are employing to use resources effectively
- Develop standard practices and methodologies for use by school districts. There is value in benchmarking. The tools developed should be easily understandable by those who use the tool and those who benefit from the tool.

4) Accountability

- It is important that any implementation of a shared services model have an evaluation model that assures that the savings and/or efficiencies sought are being accomplished. We believe that this factor along with others in our principles necessitate the involvement of the Auditor of State's office in this process

5) Community Standards / Expectations

- Consider standards and /or expectations of the public being served. Efficiencies may inhibit the school district from meeting the expectations of their public. The cost of expectations should be transparent to the public and fully disclosed.

6) Plans – funding

- Consider incentives or implementation grants to assist school districts when “up front” capital is needed to implement a plan that will lead to greater efficiency. The process must include the cost savings to be achieved, the time period necessary to recover the “investment” and a reporting mechanism to track the costs to assure accountability to the plan.

7) Partnering – Information Technology/Local Government/School District

- Technology is an important key to the sharing of services. Any regional and/or shared services model(s) must utilize “cutting edge” technology to facilitate the plan. The technology must be standardized so that uniformity in information can be used in decision making.
- A clear and defined plan for the future of ITCs must also be developed including a process for integrating this function into a regional service system.

8) School Funding Formula and Shared Services

- The new school funding formula should consider the shared services that are in place and contain some funding incentive/bonus/factor for those districts that are diligently pursuing efficiencies through shared services arrangements.

- 9) The regional and/or any shared services model must include or consider the following factors:
- a) It must be a structural change that ensures it does not just become the “flavor” of the month.
 - b) Services that can be shared should be more than just “back” room services
 - c) The State must have ownership of any plan
 - d) It will have to battle the mindset that sharing of services reduces services
 - e) “One size fits all” mentality must be avoided
 - f) Look at other states that have already implemented any or all of this type of delivery services.