
BEYOND BOUNDARIES



A SHARED SERVICES ACTION PLAN

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.



Expansive and Fragmented System

Units of Government and Elected Officials in Ohio

<u>Type</u>	<u>Number</u>	<u>Elected Officials</u>
Counties	88	960
Cities and Villages	932	9,514
Townships	1308	5,231
Public Schools (1)	668	3,803
Courts(2)	266	724
Libraries	251	n/a
Special Districts	449	n/a
TOTAL	3962	20,232
(1) Including Joint Vocational Schools		
(2) Does not include the 320 Mayors Courts		

- **Government Spending:** \$47.8 billion (1993) \$107.2 billion (2009)
- **Gross State Product:** \$268 billion (1993) \$462 billion (2009)
- **Population:** 11.1 million (1993) 11.5 million (2009)



Ohio's situation has been studied and well documented...

This isn't a Partisan Issue:

- “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.” *p.19 Compact with Ohio Cities Task Force, January, 2010*

This isn't a New Issue:

- 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 , December 2010*

This IS a Leadership Issue:

- “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.’” *Commission on Local Government Reform and Collaboration, 2010*



Our world is changing...



Broad Themes of the Plan

- **Sharing Services Should Be Simple;**
- **Creating a Network of Regional Shared Services Centers;**
- **Applying Market Forces to Ensure Positive Results;**
- **Keeping the Momentum of Shared Services;**
- **Following the Shared Services Model.**



Highlights of the Action Plan

- Beyond Boundaries: A Shared Services **Action Plan** for Ohio Schools and Governments
 - *Ten Recommendations (next slide);*
 - *Major Recommendations included in the MBR- HB 487 & HB 509;*
 - *Regional Shared Service Centers;*
 - *Results of the Shared Services Survey:*
 - *32 types of governments identified, 5,867 potential respondents, 1,789 completed,*
 - *15 Questions, **9 categories, 91 examples of types of shared services,***
 - *Highest rates in Technology, Joint Purchasing, Instructional Support,*
 - *Reported \$2.6 Billion being spent through shared services, \$176 Million saved.*



Beyond Boundaries: Ten Recommendations

Ten Recommendations	Status
1) Use Shared Service Authority (p. 11)	HB 153, Revised HB 225
2) Remove Additional Barriers (p. 12)	HB 487, HB 509, FY 14-15 budget
3) Review Educational Service Centers (ESCs) and Information Technology Centers(ITCs)- create Regional Shared Service Centers (RSSCs) (p. 13)	New Legislation, ODE Policy, and FY 14-15 Budget
4) Apply Market forces to RSSCs (p. 14)	ODE policy and FY 14-15 budget
5) Develop Tools-2 portals (p. 18)	HB 487
6) LGIC Bonus Points (p. 20)	LGIC Policy (January, 2012)
7) Create Benchmarks (p. 20)	TBD
8) Create Triggers (p. 21)	HB 509
9) State Associations Support Effort (p. 21)	TBD
10) Use Shared Services Model (p. 24)	State and Local Policy



Statewide Examples of Shared Services Potential

- 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.



Shared Services in Green, Ohio

- The City of Green and Green City Schools share an administration building which has resulted in \$650,000 in savings.
- The schools saved over \$2 million dollars by joining the Stark County COG regional health care pool.
- The city of 25,000 citizens contracts with Summit County:
 - Sheriff for police services,
 - The county building department for permitting and inspections,
 - The county health department for inspections and services,
 - The combined estimated annual savings is almost \$2 million.
- The City provides dispatching services to three other communities generating over \$200,000 in revenue.
- The City of Green is saving approximately **7% to 8%** of it's \$24.6 million annual expense budget by using shared services.



Our world is changing...

“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.



Questions?

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