

## 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.<sup>4</sup> 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.<sup>5</sup>

## **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.<sup>6</sup>
- 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.<sup>7</sup>

### **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.<sup>9</sup>

## **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.