



Report pushes shared services for schools, local governments

\$1 billion already saved through collaborative efforts but even more savings possible

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Shrinking budgets have left Ohio schools and local governments with a choice: raise taxes or cut services. A state report being released today focuses on a third option: sharing services to save money.

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It's not a new idea.

In fact, the report, *Beyond Boundaries: A Shared Services Action Plan for Ohio Schools and Governments*, identifies nearly \$1 billion in savings already being realized by 51 collaborative efforts involving schools and governments across the state. For example, two school districts share a superintendent and several entities have joined together to get discounts on health insurance, office supplies and other goods.

But the savings are not nearly as much as they could be.

“There is real and ongoing savings to be had. We think the potential is for much more savings than (\$1 billion),” said Randy Cole, president of the state Controlling Board and project manager for the report, which does not project potential savings.

In recent years, state legislators have been chipping away at the hurdles in state law that prevent or hinder such collaboration. But Cole said the bigger challenge is making local entities aware of the possibilities and persuading them to team up.

“It’s hard. It’s meetings and negotiations and giving up some turf and some control,” he said.

Gov. John Kasich’s administration, assisted by the Office of Budget and Management, completed the report at the direction of legislators, who included the requirement in the two-year budget approved last year.

The 56-page report urges schools and local governments to adopt a new business model but stops short of recommending they be mandated to share services.

The most-significant recommendation calls for the formation of regional shared-service centers to provide administrative, technological and other services to schools and local governments. An unspecified number of centers, if approved by legislators, would replace or transform 55 educational-service centers and 22 information-technology centers serving only schools and employing 13,000 people statewide.

“We don’t want them to just support schools — they can provide administrative services to local government groups, too,” Cole said.

Overhead costs could be reduced if schools and local governments contract with the centers to provide services such as payroll or technological support, the report found.

The report recommends the state assist schools and local governments by providing ideas and help for sharing services and urges legislators to act quickly to remove outdated laws and legal barriers that could prevent entities from joining forces.

In addition, the report suggests that the state auditor’s skinnyOhio.org website should be expanded to be a clearinghouse of information, sample materials and tools to aid in determining if shared services will produce savings.

A survey of schools and government entities included in the report showed many already are collaborating, most commonly joining to purchase health insurance or office supplies. Still, fewer than half of school districts reported purchasing office supplies through shared-service arrangements.