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A New Way; A Better Way

Shared Services Offer Ohio's Local Governments a Pathway to Savings

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Ohio's local governments and schools— and the taxpayers who support them — face a critical dilemma that could force many to the breaking point. While public expectations for government services and education continue to grow, the already high costs of meeting those needs are rising at an even faster pace.

That's not a new problem, but the old solutions no longer work. There is little public support for higher taxes or fees that might help cover the gap. We can't attract businesses and young families to Ohio by cutting services. That old standby, "belt-tightening," is just not enough.

In the face of this challenge, it's clear that our schools and local governments must find new and more creative ways to reduce their costs and improve efficiency. They must become smarter about spending taxpayer dollars and recognize that the old ways of doing business simply can't continue. Shared services — a new and better way — can provide that hope.

Knowing that shared services can help resolve this dilemma, Governor John Kasich's administration has released a new, comprehensive plan of action: *Beyond Boundaries: A Shared Services Action Plan for Ohio Schools and Governments*. The plan, its ten recommendations for action and numerous other resources, provide local officials with a roadmap to achieving the cost-saving efficiencies of shared services. Using real-life examples of successes already working in Ohio, the plan spotlights proven, positive results from collaboration that goes across traditional boundaries and jurisdictional lines.

Among many examples documented in the report:

- Several years ago, the City of Green partnered with the Green Local School District to construct and share facilities in a new 53,671-square-foot central administration building. The city also partners with neighboring jurisdictions to save an estimated \$2 million annually through contracts to share police, building-inspection and public health services.
- Regional coordination of shared technology services, along with development of regional data centers and shared “cloud services,” could yield at least \$91 million in savings, with a potential savings of more than \$150 million annually.
- Utilizing MARCS (the state’s Multi-Agency Radio Communication System) at a statewide level through coordination of “system of systems” in areas of high communication demand could yield more than \$500 million in savings to ongoing capital and operating expenses for public entities between 2012 and 2020.

Based on an in-depth survey of existing efforts and attitudes in Ohio, *Beyond Boundaries* is the work of numerous education and local government professionals from across the state, including valuable input from the Ohio Municipal League. Drawing on lessons learned from that survey, the plan presents a comprehensive study of public policy recommendations, potential collaborations and needed changes both in the law and in public attitudes that can transform the way of doing business in Ohio’s public sector.

Three important steps are necessary for the shared services solution to take hold. First, the governor and legislature must continue making the statutory and policy changes needed to expedite the use of shared services across Ohio. Governor Kasich and engaged legislators have already made important progress in that direction. Provisions in the Kasich Jobs Budget, passed and signed in June 2011, removed legal roadblocks to shared services and added financial incentives to spur local government innovation. A number of other improvements in state law were made in June 2012, a result of the governor’s Mid-Biennium Budget Review. *Beyond Boundaries* is not a report sitting on a shelf, it is a roadmap whose recommendations are being put into immediate action.

A second crucial step is to provide information and tools that will be needed by local leaders to realize the shared services opportunities available to them and to act when those opportunities make sense. *Beyond Boundaries* is one great tool in that role. Local leaders are encouraged to

visit the SkinnyOhio.org website and the Shared Services Idea Center for more information. Following the *Beyond Boundaries* recommendations, the Auditor of State is expanding the information contained in SkinnyOhio.org and the Ohio Department of Administrative Services is creating a joint purchasing portal that creates a one-stop resource for local governments and to pursue the savings offered through existing joint purchasing programs across the state. The portal will cover programs offering everything from office supplies and vehicles to insurance, printing and facilities maintenance. In Northeast Ohio, local government and education leaders have been pursuing best practices in collaboration for years through The EfficientGovNetwork. Now that network is creating a collaboration “playbook” for local leaders that mirrors and localizes *Beyond Boundaries* that can be accessed through the website efficientgovnetwork.org.

Finally, as step three, local leaders must truly *be* leaders, willing to take immediate, broad action.

These are hard steps to take, no doubt, but they’re all necessary to ensure the continued well-being of communities where we live, raise our families and hope to see local business thrive.

Local government leaders interested in the shared services solution, as well as citizens who want to encourage those leaders to succeed, should read *Beyond Boundaries* and take its lessons to heart. The full report and related materials are available at: www.beyondboundaries.ohio.gov.

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