

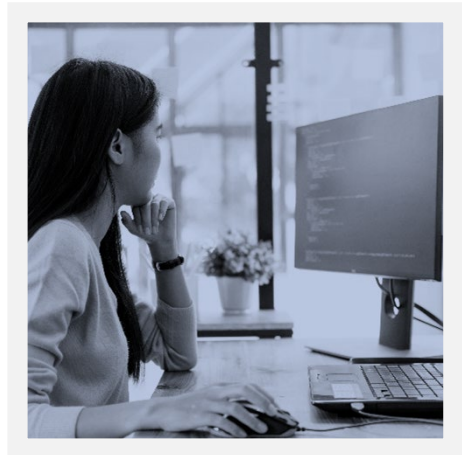


Shared School Services: State Practices

July 20, 2022



How NCSL Strengthens Legislatures



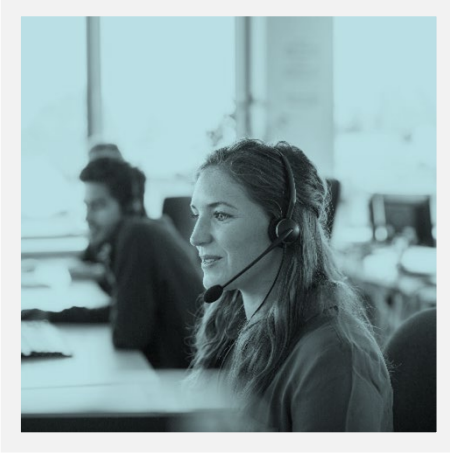
Policy Research

NCSL provides trusted, nonpartisan policy research and analysis



Connections

NCSL links legislators and staff with each other and with experts



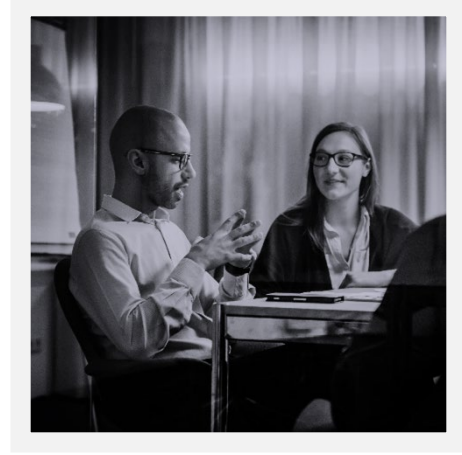
Training

NCSL delivers training tailored specifically for legislators and staff



State Voice in D.C.

NCSL represents and advocates on behalf of states on Capitol Hill



Meetings

NCSL meetings facilitate information exchange and policy discussions

Overview

Shared Services Models

Similar States' Systems:

- Iowa
- Wyoming
- Ohio
- Minnesota
- Indiana

Other Incentives for Shared Services

Recent Legislation

Funding Models for Shared Services

Shared Services Models

- **Educational Service Agencies (ESAs)** – regional public multiservice agencies authorized by state law to develop, manage, and provide services or programs to local educational agencies
 - Wisconsin refers to ESAs as Cooperative Educational Service Agencies (CESAs). Other common names include Boards of Cooperative Educational Services (BOCES), Educational Service Centers (ESCs), Intermediate School Districts (ISDs), Regional Offices of Education (ROEs)
 - Governed by appointed or elected board
- **Cooperative Agreements** – formal agreement between two or more school districts to share specific services and/or personnel



Shared Services Provisions in Iowa

- **Educational Service Agencies** (referred to as Area Education Agency, Iowa Code Ann. § 273.2)
 - Must provide: special education services, media services, support to school districts' information technology infrastructure
 - May provide: in-service training for employees, educational data processing, auxiliary services for nonpublic school students, research, demonstration projects and models, educational planning, and other educational programs and services for students or staff as approved by the state board of education
- **Cooperative Agreements:** two or more districts may jointly employ and share services of any school personnel or acquire and share facilities (Iowa Code Ann. § 280.15)
- **Supplementary Weighting Incentive:** school districts that share operational functions and state ESAs are assigned supplementary weighting to provide additional funding (Iowa Code Ann. § 257.11)
 - Included operational functions: whole grade sharing, curriculum director, master social worker, independent social worker, work-based learning coordinator, special education director, mental health, school counselor, superintendent management, business management, human resources, transportation, or operation and maintenance
 - 2022 IA H 2080 and H 2589 added school resource officers, special education directors, and college and career transition counselors/coordinators to applicable shared operational functions

Shared Services Provisions in Wyoming

- **Educational Service Agencies** (referred to as Board of Cooperative Educational Services, Wyo. Stat. Ann. § 21-20-104)
 - Agreement between establishing districts determines agency structures and the types of services to be rendered
- **Cooperative Agreements:** school districts may enter into contracts or agreements to jointly establish and operate public school facilities and related access roads, including purchasing, leasing, and constructing facilities and equipment (Wyo. Stat. Ann. § 18-2-108)
- **Cooperative Services Incentives:** two or more districts in an arrangement to combine student transportation services and/or services for children with disabilities will receive a financial incentive equal to 50% of the cost savings, not to exceed \$50,000 (Wyo. Stat. Ann. § 21-13-331)



Shared Services Provisions in Ohio

- **Educational Service Agencies** (referred to as Educational Service Center, Ohio Rev. Code Ann. § 3313.843)
 - May provide: supervisory teachers, in-service and continuing education programs for district personnel, curriculum services, research and development programs, academic instruction, assistance in the provision of special accommodations and classes for students with disabilities, and any other services agreed upon by the district(s) and service center
 - Can also enter into agreements with school districts for services outside of regular agreements (Ohio Rev. Code Ann. § 3313.845)
 - Part of Educational Regional Service System
- **Cooperative Agreements:** districts may enter into contracts for
 - the exchange of teaching services (Ohio Rev. Code Ann. § 3313.84),
 - licensed personnel for the provision of exceptional student services (Ohio Rev. Code Ann. § 3313.841), and
 - educational and staff development programming (Ohio Rev. Code Ann. § 3313.842)

Shared Services Provisions in Minnesota

- **Educational Service Agencies** (referred to as Regional Service Cooperatives, [Minn. Stat. Ann. § 123A.21](#))
 - May provide: administrative, fiscal and cooperative purchasing, instructional, student health, and employee services
 - Additional types of ESAs: cooperative centers for vocational education, innovative technology cooperatives, regional management information centers, education districts, and intermediate districts
- **Cooperative Agreements:** two or more school districts may enter into agreements to share administrative services, including superintendents, school leaders, or other administrative positions ([Minn. Stat. Ann. § 123A.12](#))
- **Grant Incentives:** cooperative facilities grant program provides incentives to construct, remodel, or improve facilities used by ESAs to provide educational programs and services ([Minn. Stat. Ann. § 123A.44, et seq.](#))

Shared Services Provisions in Indiana

- **Educational Service Agencies** (referred to as Educational Service Centers, Ind. Code Ann. § 20-20-1-2)
 - Services provided may include (but are not limited to) curriculum development, pupil personnel and special education services, in-service education, state-federal liaison services, instructional materials and multi-media services, career and technical education, purchasing and financial management, needs assessment, computer use, and research and development
- **Cooperative Agreements:** schools may use shared services arrangements with other schools for administrative and instructional services (Ind. Code Ann. § 20-42.5-2-2)
 - Allowable administrative services: transportation, food service, facilities, finance, payroll, human resources, information technology, purchasing, or other administrative or operational services
 - Allowable student services: instruction, supplemental services, extracurricular activities or other student services

Other Incentives for Shared Services

- South Dakota's Shared Employee Services Grant Program (2016 SD Senate Bill 133)
 - Incentivizes school districts to share employees
 - Provides grant funding up to 3 years Grants extend up to 3 years
 - Grants awarded in 2016-2017 (6) and 2017-18 (7) representing 31 districts
- Pennsylvania's Administrative Partnership Grant Pilot Program (2016 PA House Bill 1606)
 - Incentivizes school districts to share personnel, including superintendents, office staff, business/financial staff, information technology specialists, and facilities managers
 - Provides for 4 grants of no more than \$250,000 per fiscal year

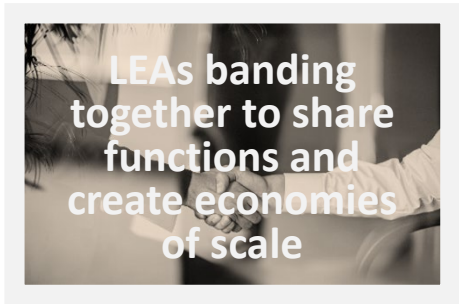
Recent Legislation Regarding Shared Services

- 2021 Illinois Senate Bill 1637 (**pending**) - provides that a school board may enter into a joint agreement with other school boards to share the services of a superintendent or other administrator; provides that any savings realized by sharing services must be divided equally between classroom needs and property tax relief.
- 2022 Illinois Senate Bill 3789 (**enacted**) - requires each school district complete a report on district attempts to improve fiscal efficiency through shared services; requires regional reporting, including a list of all joint purchasing initiatives, joint agreements between districts, attempts to reduce or eliminate duplication of services and duplicative expenditures, and identification of any overlapping regional service delivery systems.
- 2022 New Jersey Assembly Bill 2518 (**pending**) – establishes the School District Shared Service Task Force to study the use of shared services among school districts and to recommend measures for improving shared services for school districts.
- 2022 New Jersey Assembly Bill 2848 (**pending**) – establishes ESAs for procuring custodial and food services in schools and ensures certain employee rights for affected employees.
- 2022 New Jersey Assembly Bill 3160 (**pending**) – encourages sharing of services by expediting resolution of disputes over Civil Service rules and tenure provisions, which are reportedly responsible for delaying the implementation of shared service agreement.

Recent Legislation Regarding Shared Services

- 2022 New Jersey Assembly Bill 4184 (**pending**) – requires shared service incentive programs allow hiring of information technology and cyber security professionals.
- 2021 New York Assembly Bill 3185 (**pending**) – provides for establishment of regional secondary schools, allowing school districts to engage in whole grade sharing at the secondary level.
 - 2021 New York Assembly Bill 4959 (**pending**) – authorizes two or more school districts in certain counties to enter into a contract to establish and operate a regional high school.
- 2021 New York Assembly Bill 3754 (**pending**) – requires school districts be a part of county-wide shared services panels, which facilitates shared services agreements.
- 2021 New York Senate Bill 2235 (**pending**) – provides that districts engaging in shared transportation services are eligible for an incentive apportionment.
- 2021 New York Senate Bill 6445 (**enacted**) – extends the county-wide shared services initiative.
- 2021 Pennsylvania House Bill 805 (**pending**) – provides for Shared Services Grant Program for school districts, which would award funding for regionalization, consolidation, shared capacity, boundary change or personnel sharing.

Funding for Shared Services Models



LEAs banding together to share functions and create economies of scale

Cooperative

- Cooperation within confines of existing statutes but absent legislative directive to share services.
- Funding derived from federal grants or philanthropic donations (Ohio)



Governed by a separate board that collaborates with school district members for support

Regional Educational Service Agency

Funding derived from:

- Direct appropriation (distributed through state education agency)
- Member districts
- Grants
- Participant program fees
- Donations
- On-going line item in the annual school funding program (Utah)
- Ga., Mont.



Geographically-affiliated LEAs relying on localized funding sources

Educational Service District

De minimis state funding; primary local funding efforts:

- Wash.: ~1% of ESD budget from state, which is used to fund grant development and manage fee-for-service operations
- Neb.: funded through a levy of one cent per \$100 of property taxes and from member districts



LEAs with similar needs share services and governed by a board comprised of members LEAs

Cooperative Educational Service Agency

Strong local discretion and funding:

- ESAs exist at the discretion of their members and provide only those programs and services authorized by their members (Colo.)
- ESAs rely on revenues from contracted delivery of services to districts, grants, inter-governmental agreements & joint-powers agreements (N.M.)



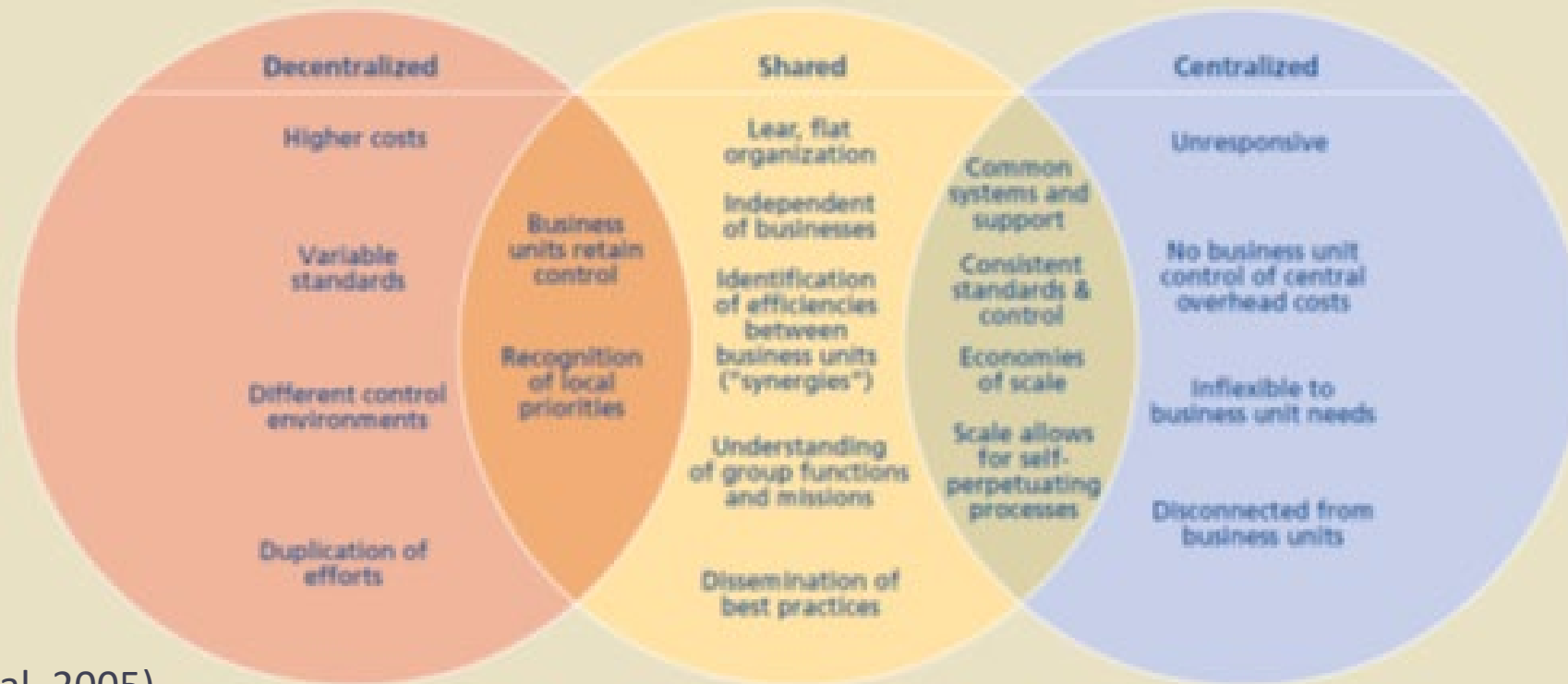
One ESA governing shared services statewide

Statewide Educational Service Agency

One ESA in SE Alaska provides services for entire state (that other ESAs once provided). In 2019, funding from:

- grants (\$2,101,515)
- district contracts (\$3,114,313)
- state and other contracts (\$448,127)
- E-Rate (\$48,763)
- other funding (\$78,243)

Figure 8. Shared Services: The Best Centralized and Decentralized



(Eggers et al. 2005)



Dearth of research on cost-efficacy/ROI on shared services

- “Although a small amount of K-12 educational literature relates to the consolidation of multiple school districts into a single larger district, *even fewer studies describe the concept of the cross-district service consolidation as a method of reducing costs while maintaining a consistent quality of service*, though none of these studies offer empirical support for the concept.” (DeLuca 2012)
- “[T]he literature provides very limited, if any, information that explores or studies the advantages of one model over another, or information that compares and contrasts the operational or fiscal efficiencies of different approaches.” (Rasmussen and Tate 2020)

- DeLuca, Thomas A. 2012. “Spending Changes and Non-Instructional Service Consolidation.” In *2012 AAFP Annual Conference*. Boston, Mass.
- Eggers, William D., Robert Wavra, Lisa Snell, and Adrian Moore. 2005. “Driving More Money into the Classroom: The Promise of Shared Services.” Los Angeles, Cal.: Reason Foundation and Deloitte Research.
- Rasmussen, Jeremy, and Veronica Tate. 2020. “Shared Services in Rural School Communities: Examples from the Field.” Comprehensive Center Network.



Sources

Stay Connected

- Learn about NCSL training
- Subscribe to policy newsletters
- Read State Legislatures magazine
- Bookmark the NCSL Blog
- Listen to “Our American States” podcast
- Watch recorded policy webinars and training sessions
- Attend a meeting or training
- Follow @NCSLorg on social media



Save the Date!

The Legislative Summit is the nation's largest bipartisan gathering of state legislators and staff, and it's the best meeting you'll attend for robust policy discussions, skills training and, best of all, significant networking with colleagues from around the country.



Questions?

Reach out anytime!

Molly Gold
Senior Policy Specialist

Dan Thatcher
Senior Fellow



Email

molly.gold@ncsl.org

Phone

303.856.1472

daniel.thatcher@ncsl.org

303.856.1646



Aug. 1-3 | NCSL.org/Summit2022