



# Shared School Services

## A Common Response to Fiscal Stress

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### Introduction

New York State has a complex system of cities, villages, towns, counties and school districts. This array of overlapping governments raises questions about coordination – for scale economies, enhanced service delivery, upgraded technical capacity of services, and regional coordination of service delivery. Until this study, scarcely little state-wide data existed regarding the prevalence, motivators, obstacles, and outcomes of shared services in New York State. Despite the scarcity of data, shared service delivery is commonly suggested to overcome many challenges facing local leaders. Governor Cuomo has called for increased use of shared services when local government consolidation is not possible, or as the first steps toward consolidation.

Simply defined, shared services arrangements are formed when two or more entities agree to share a service formally (via contract) or informal (with a handshake). NY State's schools have a built-in system with which to share services, its BOCES network. This research, however, is interested in sharing inclusive of BOCES but also includes sharing across various municipal types and other school districts.

In this brief, we answer four questions: 1) *To what degree do school districts participate in shared service arrangements?* 2) *What are the obstacles to and motivators for sharing?* 3) *With whom do schools partner?* 4) *What are the outcomes of sharing?*

### 6 Things to Know About Shared Services in School Districts

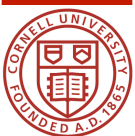
- 1) Fiscal stress resulted in 87% of school districts cutting personnel and 67% reducing services offered. Only five percent of districts have considered bankruptcy.**
- 2) 90% of all districts share at least one service. On average, school districts share 16 of 26 services measured in our survey. This is in contrast to the average municipality that shared 8 of 29 services.**
- 3) Average Need and High Need Rural School Districts are more likely to share services (59%) than are the City and Low Need Districts (46%).**
- 4) The three most commonly shared services amongst school districts are joint-purchasing, health insurance, and summer school.**
- 5) Across a range of shared services, superintendents reported more cost savings and improved service quality than they did improved student achievement.**
- 6) The main reason to end a shared service are cheaper in-house options or problems with service quality.**

### Statewide Study

In the winter of 2013, through partnerships with the NYS Associations of Counties and Towns, Conference of Mayors, Council of School Superintendents, and the Upstate NY Chapter of the American Planning Association, we surveyed 2282 local elected and appointed leaders. While a separate brief exists to share the findings from the municipalities (see Homsy et al., 2013), this brief highlights findings relevant school-related audiences, though includes some relevant findings from the municipal brief.

Our data was collected between January and July of 2013 by the Survey Research Institute at Cornell University (response rate seen in Table 1). This data collection is part of an integrative research project on shared municipal services in New York State.

*The Shared Services project is directed by John Sipple and Mildred Warner of Cornell University and funded by the US Department of Agriculture Hatch and Smith Lever grant programs, which are administered by the NYS Agricultural Experiment Station at Cornell University. Additional information can be found at [www.mildredwarner.org/restructuring](http://www.mildredwarner.org/restructuring).*



**Table 1: Response Rate**

Category	Cities	Counties	Towns	Villages	Supts	Total
<b>Total NYS</b>	62	57	932	556	675	2282
<b>Number of Respondents</b>	49	44	494	359	245	1191
<b>Response Rate</b>	79%	77%	53%	65%	36%	52%

Source: Cornell University, New York State Superintendents Shared Services Survey,

The school district data is reported in the aggregate and desegregated by the NYS Needs-to-Resource Capacity Categories. These categories distinguish district type by a combination of geography and wealth (See Table 2 for Definitions).

### Shared Municipal Services

While the focus of this brief is on school districts, it is valuable to review our findings on the sharing practices of municipal governments. Across the services, we find areas of difference and commonality.

Across the responding municipalities, the average municipal government shares 27 percent (8) of the 29 services measured on the survey. This is in contrast to the average school district which shares, on average, 16 (55%) of the 29 services in question.

The majority of municipal sharing arrangements use a formal Memorandum of Understanding (MOU) or Inter-Municipal Arrangements. About one-fifth use informal agreements and understandings. Across municipalities, recreation and social services are most commonly shared between municipalities; elderly services are also commonly shared, closely followed by youth social services, youth recreations and shared libraries. It is becoming frequently more common to share administrative and support services such as professional staff and building maintenance.

Municipalities most frequently partner with other municipalities. When a municipality shares with a nonprofit it is most common to share libraries, public transport or building maintenance. When sharing with a for-profit company, payroll, bookkeeping and garbage are most commonly shared.

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"We share a School Business Official with our neighboring district. They are also providing our accounts payable services. This relationship has been a WONDERFUL addition for our district. We also created a primary special education program for high-needs students. We host the program, with one of our teachers, and both district students attend the program in our building. This has been a tremendously successful relationship." - a survey respondent

### Fiscal Stress

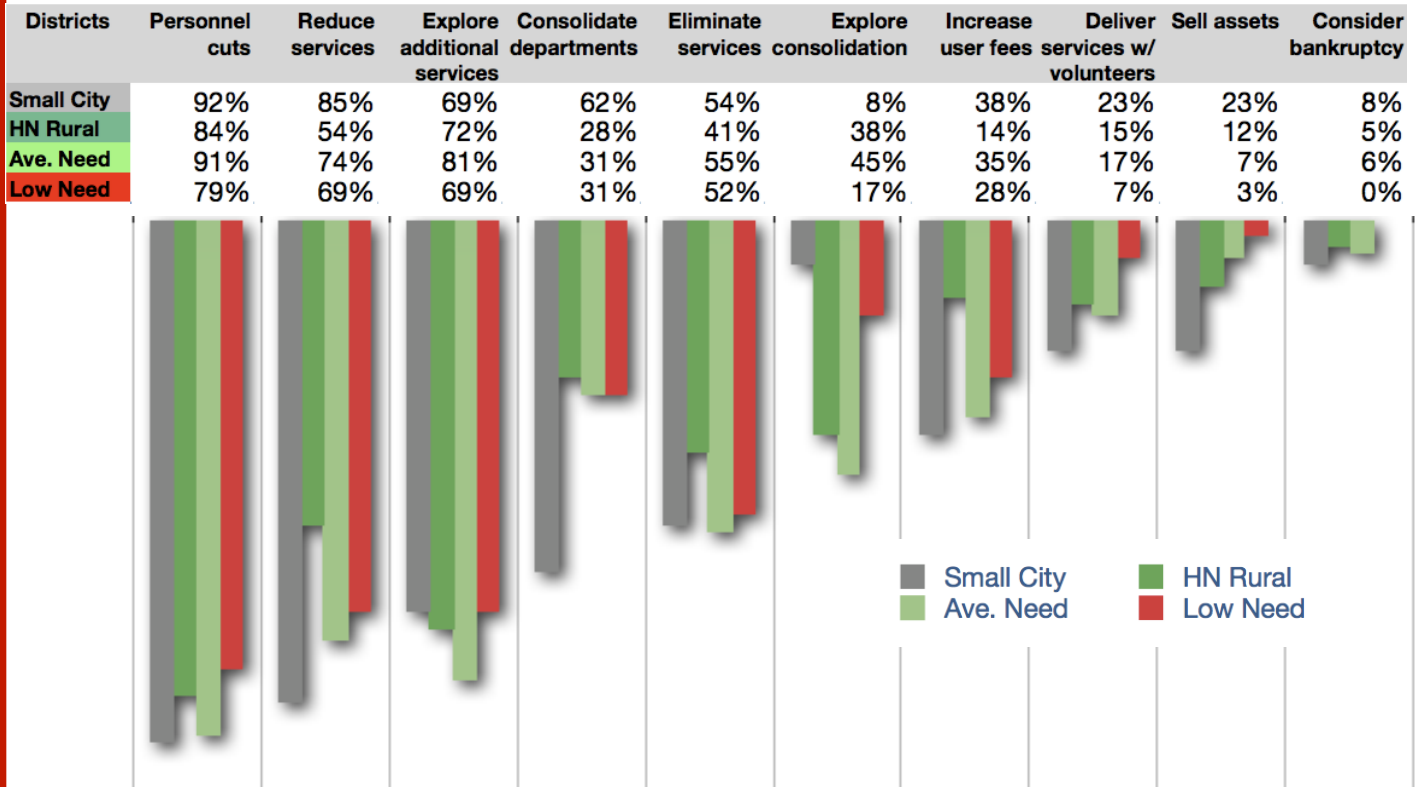
#### Powerful Motivator to Sharing Services

New York State's schools and municipalities are currently experiencing intense fiscal stress; cuts in state aid, a property tax cap, and increasing pension and healthcare costs force superintendents and local governments to make tough choices. Fiscal stress is a powerful motivator to share services.

Among municipalities, fiscal stress is most strongly felt by cities and counties in 2013, with villages experiencing more modest fiscal stress. For school districts, Small Cities and Average Need districts are reporting the most fiscal stress.

**Table 2: Needs-to-Resource Capacity Categories**

Need/Resource Capacity Categories	Definition	Data?
High N/RC: NYC	New York City	No
High N/RC: Large City	Buffalo, Rochester, Syracuse, Yonkers	No
High N/RC: Small Cities	All districts at or above the 70th percentile (1.1835) that have: 1) at least 100 students per square mile; or 2) an enrollment greater than 2,500 and more than 50 students per square mile.	Yes
High N/RC: Rural Districts	All districts at or above the 70th percentile (1.1835) that have: 1) fewer than 50 students per square mile; or 2) fewer than 100 students per square mile and an enrollment of less than 2,500.	Yes
Average N/RC: Rural Districts	All districts between the 20th (0.770) and 70th (1.1835) percentile on the index.	Yes
Low N/RC: Rural Districts	All districts below the 20th percentile (0.770) on the index.	Yes



Source: Cornell University, New York State Superintendents Shared Services

School districts are very pragmatic when it comes to alleviating fiscal stress. In times of fiscal stress (see Chart 3), the most common response (87% of all districts) is to cut personnel. Reducing (67%) and eliminating (50%) services are also frequent responses, though less common in High Need districts - likely because these districts cut services in prior years and thus have fewer services left to cut.

Consolidating academic departments (32%) is very common in small cities, but not in rural districts, likely because the smallest schools do not have departments to merge.

**Table 3: Responses to Fiscal Stress**

Service	Mean Total %
Personnel cuts	87%
Explore additional services	76%
Reduce services	67%
Eliminate services	50%
Explore consolidation	37%
Consolidate departments	32%
Increase user fees	27%
Deliver services w/ volunteers	15%
Sell assets	9%
Consider bankruptcy	5%

Additionally, exploring consolidation (37%) is most common among High Need rural districts and Average Need districts (suburban and rural), but not common among cities or Low Need areas. In New York State, consideration of bankruptcy is surprisingly rare (less than 5%).

Although seeking cost-savings is the most common motivator to sharing services, there are several such motivators (See Table 4). Common motivators are the desire to enrich educational opportunity and to maintain quality of ongoing services. Another influential motivator for all districts is the ability to gain bargaining power in the marketplace for the purchasing of goods and services. The desire to create regional service equality and the possibility of not providing a service without the sharing arrangement are both powerful motivators for Small Cities, and High Need rural and Average Need districts, but less influential for Low-Need who do not face the same fiscal pressure.

**Table 4: Importance of Motivators by District**

Importance of Motivators	Cost Savings	Local leadership/trust	Gaining bargaining power in the market	Staff transitions	State programs to incentivize sharing	Regional equality in service delivery
Small City	4.8	4.4	4.4	3.5	3.4	4.2
High Need Rural	4.8	3.8	4.0	3.1	3.6	4.1
Average Need	4.7	4.1	4.1	3.1	3.4	3.8
Low Need	4.7	4.2	4.4	2.5	3.0	3.3
Importance of Motivators	Community expectations	Maintaining service quality	Past experience with sharing	Business community support	Unable to provide without sharing	Enriching education opportunity
Small City	3.5	4.3	3.7	3.7	4.1	4.7
High Need Rural	3.2	4.5	3.6	3.1	4.3	4.6
Average Need	3.2	4.4	3.5	3.2	4.0	4.6
Low Need	3.3	4.4	3.8	3.0	3.5	4.4

Source: Cornell University, New York State Superintendents Shared Services

## What Gets Shared?

### Shared Services in Schools

Rising costs, increased mandates, and revenue shortfalls highlight the need for new collaborative approaches to service delivery. When schools face fiscal stress, one option is to share services. 90% of school districts share at least one service, with districts averaging 16 shared services (out of 26 possible). Small City and Low Need districts share, on average, 15 of the 29 services asked about on the survey. Average Need and High Need Rural districts share, on ave., 65% of services surveyed.

Among school districts who provide these services, the most commonly shared are joint purchasing (92% shared), special education (86%), summer school (75% of those districts that offer summer school partner to offer it), and health insurance (74%). Other commonly shared services are (see Table 7) are instructional technology (72%), curriculum materials (53%), cafeteria services (48%), transportation services (56%), security/SRO/police (54%), fields/outdoor space (52%), and youth recreation (70%).

**Table 5: Top 5 Shared Services**

Top 5 most commonly shared services	Percent who have service	Percent who share it
Joint purchasing	91.90%	91.70%
Health insurance	91.70%	74.20%
Summer school	77.10%	74.80%
Distance learning	60.40%	75.90%
Youth recreation	59.90%	70.10%

### Highlighted Findings

Sharing practices sometimes vary by geographic location of the district. Our data on the sharing of medical care beyond a school nurse (Table 8) indicates that it is common for Low Need districts not to supply medical care beyond a school nurse. About half of Small City districts, Average Need, and High Need Rural districts provide medical care beyond a school nurse. High Need rural districts share medical care most commonly, while medical care is least frequently shared among Low Need districts. If small cities have medical care, they are most likely to have it per school and not share this service.

**Table 8: Medical Care Beyond School Nurse**

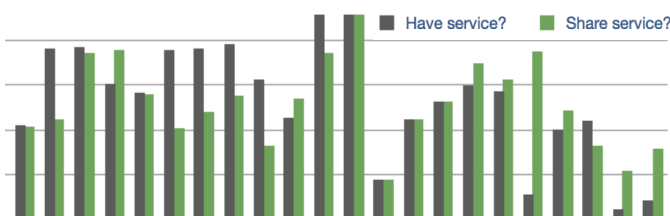
Medical care beyond the school nurse	Not Provide	Share	No-Share
Small City	50%	14%	36%
High Need Rural	56%	23%	21%
Average Need	58%	18%	24%
Low Need	65%	10%	26%
<b>Total</b>	<b>58%</b>	<b>18%</b>	<b>24%</b>

Source: Cornell University, New York State Superintendents Shared Services

With regard to transportation (including busses, garage, and maintenance) services (Table 9), the level of provision varies as does the degree to which the service is offered through a shared arrangement. 91% of Low Need districts provide the service and three-fourths of these districts provide busses, garage, and/or maintenance in a shared arrangement. Conversely, only 60% of the High Need Rural districts provide the service and among those who do only 30% share it.

The provisions of security for schools varies widely by geographic locale. Among those districts that provide enhanced security measures, two thirds (64%) of small city districts and 73% of rural districts partner to provide the service. Only 35% of Low Need districts partner to provide enhanced security.

**Graph 6: Percent Districts Offer/Share service?**



**Table 7: Percent Have Service and Percent Share**

Service?	Curricular materials	Special ed program	Instructional technology	Instructional staff	Medical care beyond nurse
Have it?	n/a	n/a	n/a	n/a	42.20%
Share it?	53.10%	85.90%	71.60%	38.10%	41.20%
Service?	After school programs	Summer school	Distance learning	Student Internships	Payroll
Have it?	76.30%	77.10%	60.40%	56.90%	75.60%
Share it?	44.40%	74.80%	75.90%	56.20%	40.80%
Service?	Cafeteria services	Transportation services	Tax collection	Security	Health Insurance
Have it?	76.40%	78.80%	62.40%	45.10%	91.70%
Share it?	47.90%	55.50%	32.50%	53.90%	74.20%
Service?	Joint purchasing	Library/ computer lab	Gymnasium	Outdoor space	Youth recreation
Have it?	91.90%	17.60%	45.00%	52.50%	59.90%
Share it?	91.70%	17.60%	45.00%	52.50%	70.10%
Service?	Childcare transportation	Community education	Adult education	Adult social services	Community feeding
Have it?	57.40%	11.20%	40.00%	4.40%	8.60%
Share it?	62.60%	75.30%	48.80%	21.40%	31.50%

Source: Cornell University, New York State Superintendents Shared Services Survey,

**Table 9: Transportation & Security**

Transportation Services	Have it?	Share it?	Security	Have it?	Share it?
Small City	85.70%	66.70%	Small City	78.60%	63.60%
High Need Rural	67.90%	30.20%	High Need Rural	20.00%	73.30%
Average Need	78.40%	55.20%	Average Need	45.00%	58.00%
Low Need	90.60%	75.90%	Low Need	64.50%	35.00%
<b>Total</b>	<b>78.80%</b>	<b>55.50%</b>	<b>Total</b>	<b>45.10%</b>	<b>53.90%</b>

Source: Cornell University, New York State Superintendents Shared Services Survey,

## Outcomes of Sharing Services

Sharing services are commonly argued to allow districts to save costs and improve programmatic offerings. Across the 29 services measured in the municipal survey, 56% of municipalities reported that they achieved cost savings, 50% reported improved service quality, and only 35% improved cross-jurisdictional service coordination (Homsey et al., 2013). With regard to school districts, the assessment of cost savings and service enhancement varied greatly by service.

On the low end, the sharing of outdoor field and facilities was reported to result in cost savings for only 23% of the districts, including 0% of the small cities, 10% of High Need Rural Districts, but fully 44% of Low Need Districts.

"We have two shared athletic programs with another district which was done in effort to maintain long term viability of programs and cost savings." - a survey respondent

On the high end, 90% of all superintendents reported cost-savings through the shared provision of health insurance. This varied from 100% of Small City superintendents to 71% of Low Need Superintendents.

**Table 11: Outcomes of Sharing Technology**

Instructional technology	Cost savings	Improved service quality	Improved student achievement
Small City	100.00%	71.40%	42.90%
High Need Rural	83.60%	63.90%	39.30%
Average Need	81.50%	72.80%	35.80%
Low Need	85.70%	66.70%	23.80%
<b>Total</b>	<b>83.50%</b>	<b>68.80%</b>	<b>35.90%</b>

Source: Cornell University, New York State Superintendents Shared Services Survey,

Sharing instructional technology between schools is also linked to cost-savings; 83% of superintendents reported cost savings. Service quality is also reported to be improved in 65% of districts. Generally, about half to two-thirds of superintendents report improved student achievement as a result of the partnering/sharing off/for technology.

Sharing curriculum materials is reported to reduce costs and improve service quality; Low Need districts and Small Cities report the most cost savings and improved service quality. Sharing curriculum materials also has a consistent impact on improving student achievement; the highest level of reported improvement is again seen in Small Cities.

**Table 12: Outcomes of Sharing Curriculum**

Curriculum materials	Cost savings	Improved service quality	Improved student achievement
Small City	100.00%	100.00%	66.70%
High Need Rural	80.50%	61.00%	56.10%
Average Need	70.30%	64.10%	51.60%
Low Need	92.30%	76.90%	53.80%
<b>Total</b>	<b>76.90%</b>	<b>65.30%</b>	<b>53.70%</b>

**Table 13: Outcomes of Sharing Special Education**

Special Education program	Cost savings	Improved service quality	Improved student achievement
Small City	80.00%	60.00%	60.00%
High Need Rural	77.50%	73.20%	43.70%
Average Need	77.60%	69.40%	39.80%
Low Need	75.00%	78.60%	42.90%
<b>Total</b>	<b>77.30%</b>	<b>71.50%</b>	<b>42.50%</b>

Source: Cornell University, New York State Superintendents Shared Services Survey,

Sharing special education programs significantly improves service quality. Although it has the strongest cost savings effects in Small Cities, service quality is improved the least. Student achievement still lags behind improved service quality.

Sharing after school services has a very minimal effect on saving costs. Yet, service quality is highly improved. Student achievement is somewhat improved. The smallest effects are seen in Small Cities and Low Need districts, perhaps because they have less room for improvement and growth.

**Table 14: Outcomes of Sharing After School**

After school	Cost savings	Improved service quality	Improved student achievement
Small City	28.60%	57.10%	28.60%
High Need Rural	40.00%	63.30%	43.30%
Average Need	38.90%	75.00%	47.20%
Low Need	37.50%	87.50%	25.00%
<b>Total</b>	<b>38.30%</b>	<b>70.40%</b>	<b>42.00%</b>

**Table 15: Outcomes of Sharing After School**

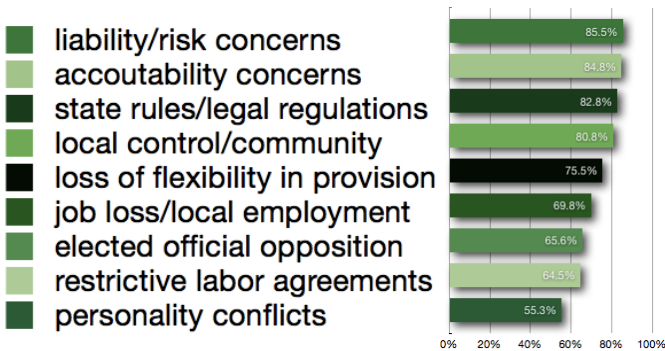
Instructional staff	Cost savings	Improved service quality	Improved student achievement
Small City	100.00%	50.00%	50.00%
High Need Rural	78.80%	53.80%	32.70%
Average Need	67.10%	57.10%	24.30%
Low Need	83.30%	75.00%	41.70%
<b>Total</b>	<b>74.60%</b>	<b>57.00%</b>	<b>30.30%</b>

Source: Cornell University, New York State Superintendents Shared Services Survey,

### Obstacles to Sharing Services

There are obstacles to shared services, including liability/risk and accountability concerns, state and legal regulations and job loss (see Table 16). Although it is common to think that politics, unions, and personality conflicts are major obstacles to shared service agreements, these hurdles are ranked lowest by New York’s superintendents (though still over 50% of respondents). Obstacle frequency varies depending on location. Over all, the obstacles of planning and designing shared services, as well as finding similarity of partners, are relatively constant across Low and High Need school districts. Why do shared service partnerships dissolve? The

**Table 16: Frequency of Obstacles to Sharing**

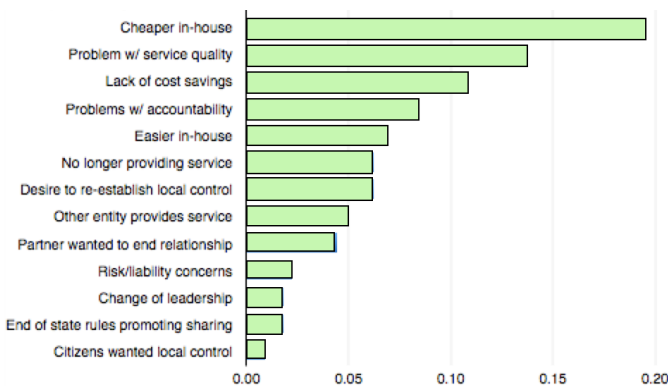


Source: Cornell University, New York State Superintendents Shared Services Survey,

main reason to end a shared services is a cheaper service in-house or problems with service quality. The option of a cheaper in-house service most affect Small Cities and Average Need districts, while problems with service quality most affect Small Cities and High Need rural districts. Lack of cost savings and accountability problems also cause partnerships to end.

Management and efficiency issues also have significant impact on the end of shared service relationships. Lack of cost savings was reported by 15% of Small Cities and 13% of Low Need districts, but only 5% of High Need rural districts. Small cities (31%) and Average Need districts (20%) more

**Graph 17: Why Shared-Agreements End?**



Source: Cornell University, New York State Superintendents Shared Services Survey,

frequently report cheaper in-house options. Lack of cost savings is reported as the cause ending shared services in only 15% of Small Cities and 13% of Low Need areas, and even less common in High Need districts which may suggest cost savings. Small Cities (31%) and Average Need districts (20%) most frequently report cheaper in-house options as a reason to end the shared agreement.

**Table 18: Ceased Sharing because**

Lack of cost		Cheaper in-house	
Small City	15%	Small City	31%
HN Rural	5%	HN Rural	19%
Ave. Need	13%	Ave. Need	20%
Low Need	13%	Low Need	13%

Source: Cornell University, New York State Superintendents Shared Services Survey,

### Conclusion

New York State’s school districts are faced with unprecedented challenges. With the fiscal pressure and need to maintain quality program, local districts respond with pragmatic approaches to the fiscal stress. Shared services is not a new idea – in fact NYS municipalities and school districts have been sharing/partnering for decades. Today, however, there is a renewed attention to the practice and this brief illustrates the degree these practices have become common. The sharing of services is becoming common in many areas such as joint purchasing, medical care, and youth recreation among schools. The most powerful motivators for sharing services are fiscal stress, followed by the pressure to create educational opportunity and to maintain quality service. Obstacles to shared service delivery are primarily liability/risk and accountability concerns. School districts in New York are trying to save costs while improving service quality, and the sharing of service provision is common practice.

**References:** (1) Homsy, G.; B. Qian, Y. Wang and M. Warner (2013). *Shared Services in New York State: A Reform that Works, Summary of Municipal Survey in NYS, 2013, Shared Services Project, Dept of City and Regional Planning, Cornell University, Ithaca, NY.*

For more information on sharing services state wide and in school districts, see the website of New York State Center for Rural Schools. The Shared Services project is directed by John Sipple and Mildred Warner of Cornell University and funded by the US Department of Agriculture Hatch and Smith Lever grant programs, which are administered by the NYS Agricultural Experiment Station at Cornell University.