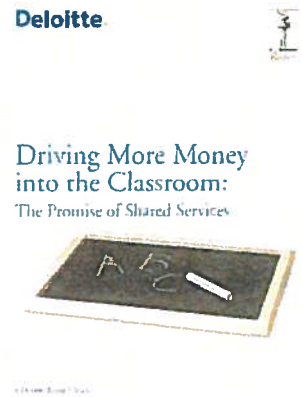


Shining a Light on WMEC

WMEC Mission: To build a sustainable regional collaborative that meets the needs of the organization while also meeting the needs of the individual members.

A recent report by the Reason Foundation and Deloitte Research has provided the impetus for deep and dynamic conversations among the districts in the Western Maine Educational Collaborative (WMEC). *Driving More Money into the Classroom: The Promise of Shared Services* (2005) has been used as a resource and guide to help in the development and implementation of the WMEC. This brochure highlights key aspects of the report and offers parallel information specific to WMEC and its member districts. It is our hope that this "side-by-side" will be useful to others as they consider the challenging work of working collaboratively to share services.

The full text of *Driving More Money into the Classroom* can be found at http://www.reason.org/ps339.pdf and detailed information about WMEC is available at www.wmecinc.org

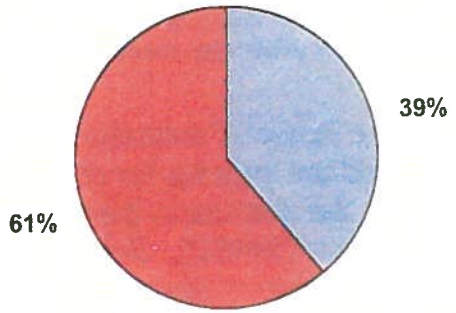
Deloitte Research

I Factors Driving Educational Cost Pressures:

- Surging Enrollment
- Declining Enrollment
- Court Rulings (14/32 cases, courts found that the school funding system, in part or in whole, violated the state's constitution)
- Ballooning Medicaid Costs

II Size: Cost: Performance Data

US DoE Data



Non-instructional Instructional Spending

"...centralized management of schools brought about by consolidation actually led to higher spending on administrative staff and an increased number of administrators per student." UCLA Anderson School of Management

"These smaller school units have a financial incentive to share services in order to avoid high non-instructional and administrative costs and to drive more money into the classroom" Gates Foundation

"...how a school is managed matters. Schools perform better on fiscal and academic outcomes when there is a) local control of school budgets by principals and b) open enrollment, which allows per-pupil funding to follow the child." UCLA Anderson School of Management

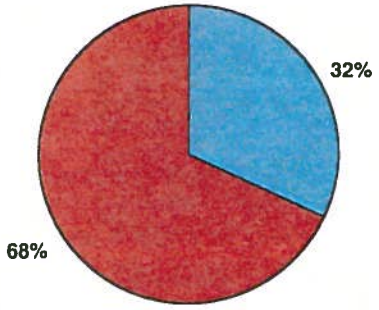
WMEC

I Local/Regional Pressures:

- Declining Enrollment (2% this past year)
- Laws/Legislation/Rules
  - EPS
  - Regionalization Legislation
- Ballooning Medicaid/Insurance Costs (41.5% over the past 5 years)
- Other
  - Fuel: Transportation and Heating (Bloomberg projects 27% for 2007-2008)

II Size: Cost: Performance Data

WMEC Data



Non-instructional Spending Instructional Spending

WMEC Member districts represent:

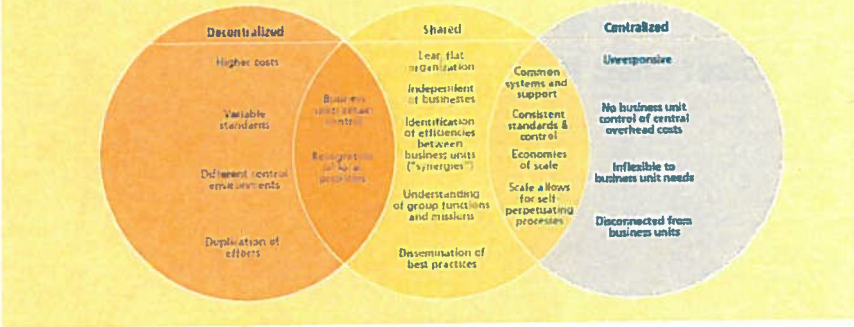
4 Counties
10 SAUs
40 Municipalities
43 School Buildings
11,749 Students
890 Teaching Staff
2,500,000 Miles Traveled

80% of the WMEC Districts are using site based management for their budgets (controlled at the school level).

III The Shared Services Alternative

"Sharing services creates the economies of scale, consistency of process, and results that come with centralized models. It also allows districts to maintain the benefits of decentralized control, allowing individual administrators to retain oversight of curriculum, education, and other aspects on non-shared processes. By sharing processes that aren't mission critical while still retaining local control of the most important aspects of education, shared services brings the best of big and small."
Deloitte Research – Driving More Money into the Classroom

Figure 8. Shared Services: The Best Centralized and Decentralized



IV Opportunities for Sharing Service in Education

"Shared services can yield very real operational efficiencies around facilities, transportation, food service, real estate management, procurement, human resources, information technology, security and even instruction." Deloitte Research – Driving More Money into the Classroom

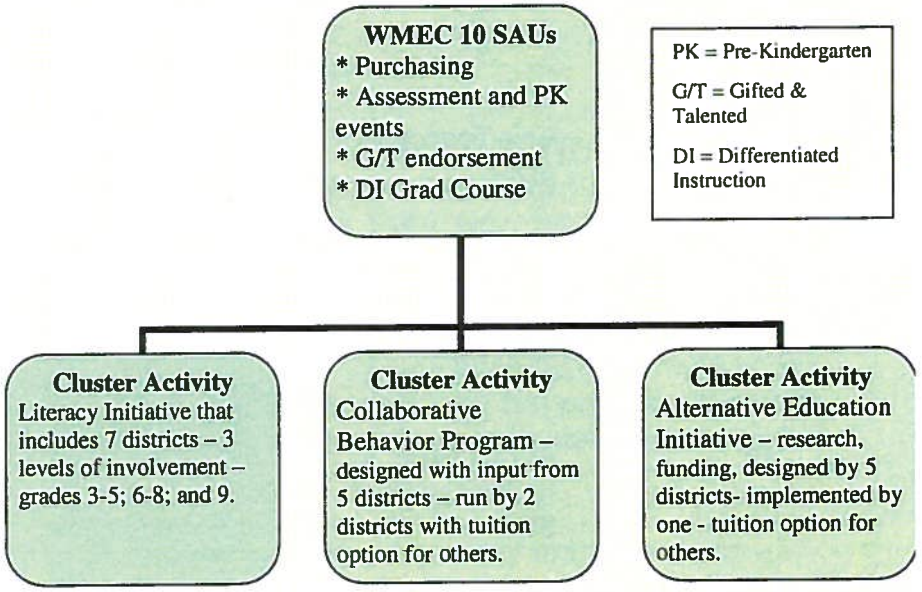
Table 2. School Functions Amenable to Shared Services

Capability	Fit for Shared Service	Savings Potential (Comparative)
Direct (Services to Students)		
Transportation	High	High
Food Service and Nutrition	Medium	Medium
Instructional	Medium	Medium
Safety and Security	Medium	Medium
Health Services	Medium	Low
Indirect (Services to Staff or Infrastructure)		
Purchasing	High	High
Finance and Payroll	High	Medium
Facilities & Real Estate	High	High
Human Resources	High	Medium
Technology Services	Medium	High
Administration	Medium	Medium

Low → High

III The WMEC Shared Services Model

WMEC member districts work together using a variety of strategies that meet the needs of both the organization and the individual members. The model allows for shared services and programs that are both formal and informal. Examples of "The Whole/Parts" Model include:



IV WMEC Shared Services Opportunities

Initiative	# Participating	Savings
Direct (Services to students)		
Collab. Behavior Program	*2-5 Districts*	*$15,000/student up to $180,000/year (43%)*
Alternative Education	*2-4 Districts*	*TBD*
Indirect (Staff /Infrastructure)		
Literacy Initiative	*7 Districts*	*$150,000/year (2 year minimum) (83%)*
G/T endorsement	*All*	*$60/registration (6.5%)*
Chapter 125/127 Conference	*All*	*Increased opp.*
60/40 Shared Tuition/UMF (Lit)	*5 Districts (33 Teachers)*	*$367.20 x 33 = $12,117.60 (40%)*
60/40 Shared Tuition/UMF (DI)	*TBD*	*$367.20 x # = ?(40%)*
Purchasing	*All*	*20%-40% per order*

V Seven Benefits of Sharing Services & WMEC Examples

Benefit	*Deloitte*	*WMEC Examples*
# 1	**Save Money**	***Literacy Initiative** ***Collab. Behavior Program**
#2	Gain Economy of Scale	*Literacy Initiative *Collab. Behavior Program *Purchasing *MDOE Grant
#3	**Standardize Processes**	***60/40 Shared Tuition with entire University System** ***Action Research**
#4	Attract More Highly Qualified Staff	*International Literacy Consultant *Alternative Ed Program *GT Endorsement
#5	**Retain Local Control & Achieve Scale**	***Collab. Behavior Program**
#6	Flatten out Peaks and Troughs	*Collab. Behavior Program *Alternative Ed Program
#7	**Less Political Opposition**	***Inter-local Agreements** ***School Board Votes**

VI State Government's Role In Advancing Shared Services (Deloitte)

Budget Pressure: Make non-instructional school spending more transparent and examine school management practices.

WMEC Position: Agree

Financial Incentives: Several states have enacted legislation and set up financial incentives to encourage shared services (New York State, New Jersey, California)

WMEC Position: Agree

Technical Assistance: "States typically have more well—developed networks of vendors who can provide support for designing and implementing shared services systems and processes ..."

WMEC Position: Agree – especially in the area of establishing service centers

Structures of Shared Services: A variety of different models for shared services in education exist allowing for different opportunities. Included are: Cooperatives; Cooperative Superintendency; Regional Educational Service Agencies; Educational Service Districts; Cooperative Education Services; and Cluster Districts

WMEC Position: We are a combination of Regional Educational Service Agencies and Cooperative Educational Services models.

NOTE: Legal barriers to collaboration must be identified and removed.

The work of the WMEC is accomplished through successful and positive relationships with several partners. These partners include:

- University of Maine at Farmington (especially the Outreach Program and the Regional Teacher Development Center)
- University of Maine – Orono (especially the Center for Community Inclusion and Disabilities Study)
- Corporate Computer Services Incorporated
- The Maine Department of Education
- Various municipal offices
- A variety on Non-Profit organizations
- Community Health and Service Agencies
- Local School Boards

WMEC Member Districts

- MSAD # 9 (Farmington)
- MSAD # 21 (Dixfield)
- MSAD # 36 (Livermore Falls)
- MSAD # 43 (Rumford)
- MSAD # 44 (Bethel)
- MSAD # 52 (Turner)
- MSAD # 58 (Kingfield)
- Union #37 (Rangeley)
- Jay
- Winthrop

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