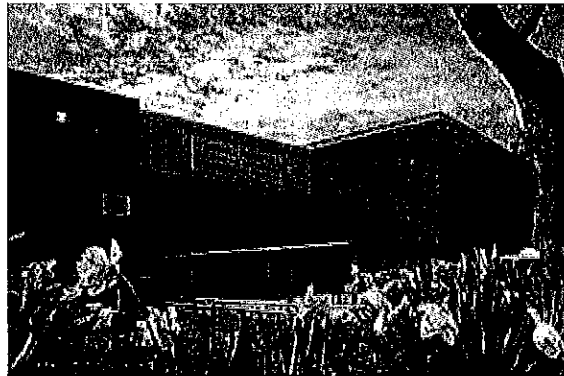
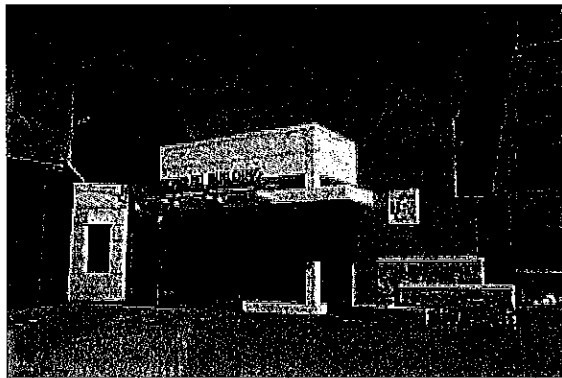


Saving Tax Dollars and Changing Culture



How Howard County's Government and
Public School System collaborated to benefit taxpayers

How collaboration between Howard County's Government and Public School System benefits taxpayers

April 2011

Soon after taking office, Howard County Executive Ken Ulman began implementing a long-held vision that county government and the public school system could work together more closely on behalf of residents.

While the two entities are technically independent, public perception has been different. County residents view the Howard County Public School System and the county government as part of the same whole, and expect them to collaborate to provide the greatest return on tax dollars.

Ulman found a willing and committed partner in Howard County Superintendent of Schools Dr. Sydney Cousin, who shared the same outlook.

Beginning in 2007, Cousin and Ulman launched an effort to breach barriers hindering cooperation between the two units of government. The discussions took on greater urgency as the nation and region entered a recession that promised to be long and deep, exacerbating the public sector's fiscal challenges.

The two leaders formed a task force to explore ways that cooperation could produce efficiencies. Ulman and Cousin charged the group with developing concrete steps to and avoid duplication of services, while altering a culture of independence.

The task force, headed by Howard County Chief Administrative Officer Lonnie Robbins and public schools Chief Financial Officer Raymond Brown, included many top-ranking officials from both organizations and began meeting regularly in late 2008.

The group forged lines of communication and began to build support for joint efforts. Over time, a greater sense of cooperation has emerged, allowing a free exchange of ideas to the benefit of county residents.

Ulman and Cousin continued to meet to review the work of the task force and discuss and implement additional initiatives.

Some ideas have generated significant savings, while other measures paid off more in common sense. As the project continues, the foundation has been set for greater achievements in the future.

What follows is a summary of accomplishments in 12 areas since the effort began.

I. Broadcasting public meetings

Video operations of Howard County government, the school system and Howard Community College had been duplicative and expensive, officials realized. As a remedy, the county government proposed closing its cable studio and joining with the school system for the services of Granicus, a vendor of cloud-based video applications. The venture allows public meetings of the County Council, the Board of Education and other entities to be streamed on county and school system web sites. The agreement includes video capture, compression, off-site storage and playback over the Internet -- all at reduced cost. Government transparency gets a boost because citizens have easier access to information. While some county cable studio employees found positions in other agencies, the effort resulted in a net reduction of jobs.

Result: \$500,000 annual savings, ongoing.

II. Shared data center

The school system had proposed renovating a vacant school for use, in part, as a data center, a project that carried a \$3 million capital price tag. Recognizing the potential for savings, the county incorporated the school system's requirements into the county data center, leveraging existing fiber connectivity.

Result: \$3 million in construction and equipment costs avoided; anticipated \$50,000 in yearly operating savings.

III. Energy purchasing

A. Regional consortium: While county government had been buying reduced-rate energy through the Baltimore Regional Cooperative Purchasing Committee, run by the Baltimore Metropolitan Council, the school system had not been part of the consortium. County officials facilitated the entry of the school system into the program, and the system now procures energy at a cheaper price.

Result: \$1 million in annual savings, ongoing.

B. Solar project: Working together, schools and public works officials developed an innovative project for a closed county landfill adjacent to a school. An array of solar panels is being installed at the five-acre New Cut Road landfill, and nearby Worthington Elementary School will consume nearly all of the approximately 600,000 kilowatt-hours

that the panels will produce each year. As a result, the school will get about 90 percent of its electricity from an environmentally friendly, carbon-free energy source.

Result: \$5,000 in yearly utilities savings; \$100,000 over 20-year life of project.

IV. Reduced retirement costs

As they discussed personnel costs, the county executive and the superintendent realized that if the category of expenses known as Other Post Employment Benefits (or OPEB, which is comprised mostly of retiree health insurance coverage) was not controlled, the county's ability to deliver services through its general fund budget would soon be overwhelmed. The organizations formed a joint committee to review OPEB costs, recommending actions that reduced combined required contributions by about \$10 million annually and dropped overall liability by more than \$50 million. The committee continues to examine strategies to protect the sustainability of post-employment benefits.

Result: \$10 million yearly savings, ongoing.

V. Joint bids for employee benefits

Beginning in 2008, the county and the school system began to jointly bid for employee benefits. To date, health, dental, vision, group life insurance, long-term disability, and 457 (b) deferred compensation plans have been jointly bid. By combining the organizations' purchasing power, prospective bidders gain access to a larger population, with more incentive to lower prices and enhance services. The joint bidding of health insurance plans is saving an estimated \$4 million a year in premiums and fixed administrative costs, while the combined bid for life and long-term disability insurance produced about \$290,000 in annual savings for the county and \$820,000 for the school system. The bid for deferred compensation plans resulted in better investment products with lower fees, which have translated to better investment returns for employee participants and easier administration. In 2010, the deferred compensation plan was recognized by the National Association of Government Defined Contribution Administrators for its innovation.

Result: \$5.1 million yearly savings, ongoing.

VI. Fleet maintenance

A. Shared Maintenance Facility: The county recently acquired a centrally located former automobile dealership, and converted it into a vehicle maintenance facility. The

county offered to share the facility with the school system, which now uses more than half of the space. The arrangement relieved the need of the school system to build its own garage. The school system also stores some of its equipment in the western end of the county at a county highway shop, saving rent and transportation costs.

Savings: \$4 million in construction costs; \$260,000 in ongoing annual operating costs through deferred rent.

B. Fuel Contracts: As they worked together in the shared maintenance facility, employees added the school system to its bulk gasoline and diesel fuel contract.

Result: \$30,000 annual savings, ongoing.

VII. Joint technology use

A. Shared use of Geographic Information Systems: The county GIS office now trades information with school counterparts, using base data, orthophotos and other information for planning purposes and to provide school district boundaries. The GIS office created a "School District Viewer" application on the public schools web site. The organizations formed a GIS user group, which discusses the best ways to integration county data into the school's desktop software and other applications. The group also discusses best practices for constructing new features. This data would cost the school system at least \$250,000 annually to replicate and maintain.

Result: \$250,000 in cost avoidance, and thousands yearly in ongoing savings.

B. Records management: The county records management section worked with the school budget office to incorporate previous years' school budgets into the county archive system. Additionally, the county is discussing providing a ProjectDox site for the school system's facilities development and construction documents. The software automates the review process by converting all plans into an electronic format, creating a site that allows all agencies to access documents. Improved electronic records management boosts efficiency and accessibility of information. The county has also provided the school system its Cognos Software System for capital budget management. The joint use of this system has improved the county government's understanding of the school system's capital projects.

Result: Greater efficiency and accessibility of information, and shared knowledge.

C. Telephone conversion: As the county embarks on the \$72 million Inter-county Broadband Network project that will link public institutions in 10 jurisdictions in Central Maryland, discussions have begun on how best to produce cost savings from the network. The fiber will allow, for example, the school system to convert from a Centrex-based telephone system to one that uses Voice over Internet Protocol (VoIP). When completed, the conversion will significantly reduce the price of school telephone services.

Result: Potential for \$1 million annual savings after conversion.

VIII. Field maintenance

The school system and the county Department of Recreation and Parks now share field maintenance and mowing responsibilities. In many cases, school and park playing areas are located adjacent to each other, but maintenance for each stopped at field borders. Now, workers ignore artificial boundaries as they allocate responsibilities. The county has also allowed school system maintenance workers to operate from a highway shop in the western part of the county, saving on transportation and storage costs.

Result: \$10,000 in yearly savings through efficiencies and deferred rent, and stronger working relationships.

IX. Recycling contracts

As a result of the collaboration, the school system joined the county's collection contracts for trash and recyclables. The school system lowered trash collection costs and improved recycling programs in the schools. The schools are able to take advantage of the county's lower trash processing fee and receive a portion of the revenues generated from recyclables – creating an incentive to reduce trash output. The county was also able to reduce base prices in its contracts.

Result: \$70,000 in combined yearly savings, ongoing.

IX. Joint requests for proposals

The county and school board now routinely join to develop RFPs for services and supplies. When a joint RFP is not possible, each entity includes a provision to allow the other to “piggyback” on the contract as warranted.

Result: Greater efficiency and reduced staff time.

X. Pavement resurfacing contracts

Prior to the current economic downturn, the county spent several million dollars on road resurfacing in a typical year. The school system had smaller contracts for parking lot resurfacing. After discussions, the school system developed a plan to use county contracts. In one example, the school system saved \$60,000 on resurfacing an Elkridge Elementary School parking lot. School officials abandoned an idea to extend the work of a school system contractor, and instead prepared documentation for a county vendor. The change produced better results at a cheaper price, and shaved two months from the project time.

Result: Savings of \$60,000 to \$80,000 yearly, based on FY 2010 experience.

XI. Snow removal coordination

As a result of conversations that began as a part of the collaborative process, the county Department of Public Works and the school Facilities Management section began to coordinate snow removal efforts. Recognizing that the clearing of school parking lots can wait until streets are passable enough to reach them, the school system now diverts its dump truck fleet to roadway snow removal under the direction of the public works department before plowing begins at school facilities. This change paid tremendous dividends during record storms in 2010, increasing the county's snow removal capacity by nearly 20 percent at peak times.

Result: Twenty percent boost in snow-plowing capacity during peak periods

XII. Joint use of space at large county office building

As part of a plan to renovate the county office headquarters and adjacent Circuit Court building in Ellicott City, the county rented space in Columbia to allow critical offices to remain operational. When extra space became available, the county offered the school system a portion for a training and conference center. As a result, the school system canceled a \$3 million renovation at a vacant school for the same purpose. The school system is also saving about \$500,000 per year in rental costs. Conversations are ongoing regarding a permanent plan to share conference space. As part of this process, the county is providing VoIP telephone services and data connectivity for the school system in the building.

Result: Savings of \$500,000 in operations and \$3 million in capital expenses.

TOTAL savings in all areas:

- **\$18.6 million** in annual expenses, ongoing.
- **\$10.3 million** in capital projects no longer needed.
- **\$50 million** in reduced future liabilities.

Conclusion

Cooperation across institutional lines has generated significant efficiencies and cost savings for taxpayers. But such accomplishments do not come without significant effort. Erasing institutional boundaries requires a change in government culture and habits, and it begins with communication and the open exchange of thoughts and ideas. Many opportunities remain for collaborative initiatives between Howard County Government and the school system, and those involved are committed to continued dialogue and cooperation.