

**Summary of Consolidated Purchasing
Arrangements, Shared Service Arrangements and
The Efforts of School Corporations to explore
Cooperatives, Common Management,
Or Consolidations as reported
By Education Service Centers and School Corporations
For the 2012-2013 school year**

**Indiana Department of Education
September 23, 2013**

Introduction

In accordance with I.C. 20-42.5-3-3, the State Board of Education is required to submit a report no later than November 1st of each year to the state superintendent, governor, and the Indiana General Assembly concerning:

- 1) Consolidated purchasing arrangements used by multiple school corporations, through educational service centers, and throughout Indiana;
- 2) Shared service arrangements used by multiple school corporations, through education service centers, and in Indiana as a whole; and
- 3) The efforts of school corporations, to explore cooperatives, common management, or consolidations.

The Department of Education conducts the annual survey and collects and reports the data supplied from public school corporations and education service centers. The time frame for collecting data for schools and education service centers is the same and the information is based on 2012-2013 school year. Summary information provided in the surveys is included in the framework of this report. Surveys covered the three required statutory elements of consolidated purchasing arrangements, shared service arrangements, and efforts of school corporations to explore certain areas, and the results are analyzed in separate sections.

The respondents were only asked three questions related to the purchasing survey for the 2012-2013 school year.

➤ SCHOOL CORPORATION SURVEY RESULTS

Introduction

The first part of the report analyzed Indiana school corporations' use of consolidated purchasing arrangements, shared services arrangements, and efforts to explore cooperative purchases. The Department posted a survey consisting of three multi-part questions asking respondents to answer whether or not they had undertaken any of the individual opportunities listed. If they responded with a yes, they were asked to provide information concerning the activity and possible savings realized from the activity. The questionnaire addressed the same 3 areas targeted in the education service center survey of purchasing, shared service practices, and efforts to further explore purchasing or service options. School corporations were asked to respond with information about activities that were undertaken *excluding* activities through education service centers.

Approximately 239 of Indiana's 371 school corporations and charter schools responded to the on-line survey.

Question 1 – School Corporations – Member Information

The first question asked whether or not a school was part of a formal education service center, special education, vocational education, insurance trust, fuel consortium, or energy consortium. If the school corporation was a member of a consortium, the question asked whether there was an ADM or other fee associated with membership.

Question 1A – This question asked schools whether or not they belong to a special education cooperative. In 2011-2012, of the 223 respondents, 189, or 84.8%, replied that they were members in a special education cooperative. As part of the 2012-2013 survey, of the 239 respondents, 189 respondents, or 79%, stated they were members of a special education cooperative. Larger school districts, particularly those in Marion County, have a special education population large enough to justify in-house special education programs and services at their facilities.

Of the schools participating in a special education cooperative, the fee is a flat fee per student or an annual fee. The following fee breakdown was provided:

- 17 schools reported fees per student that were between \$0 and \$10 in 2011-2012 compared to 21 in 2012-2013.
- 3 schools reported fees per student that ranged between \$10 and \$25 in 2011-2012 compared to 4 in 2012-2013.
- 57 schools reported fees per student that was greater than \$25 per student in 2011-2012 compared to 44 in 2012-2013.
- 25 schools reported an annual fee between \$0 and \$1000 to participate in a special education cooperative in 2011-2012 compared to 18 in 2012-2013.
- 87 schools reported an annual fee of more than \$1000 to participate in a special education cooperative in 2011-2012 compared to 102 in 2012-2013.

Estimated total annual savings reported for those schools participating in a special education cooperative was estimated at \$29,381,822 in 2011-2012 compared to \$28,083,371 in 2012-2013.

Question 1B - The second part of Question 1 asked school corporations and charter schools whether or not they belong to a vocational education cooperative.

Of the responding school corporations, 188, or 84.3%, reported that they participated in a vocational education cooperative in 2011-2012 compared to 197, or 82.4%, in 2012-2013. For schools that are a part of a vocational education cooperative, the membership fee or cost is typically based on one a fee per student or an annual fee. The following fee breakdown was provided:

- 17 schools out of 223 reported a fee per student that ranged from \$0 to \$10 in 2011-2012 compared to 20 schools in 2012-2013;
- 6 schools reported a fee per student that ranged from \$10 to \$25 in 2011-2012 compared to 5 schools in 2012-2013;
- 85 schools reported a flat fee per student that was greater than \$25 per student in 2011-2012 compared to 76 schools in 2012-2013;

- 23 schools reported an annual fee that ranged from \$0 to \$1000 to participate in a vocational education cooperative in 2011-2012 compared to 15 schools in 2012-2013; and
- 57 schools reported an annual fee of more than \$1000 to participate in a vocational education cooperative in 2011-2012 compared to 81 schools in the 2012-2013 survey.

Estimated total savings reported for those schools participating in a Vocational Education Cooperative was estimated at \$22,994,249 in 2011-2012 compared to \$21,221,500 in 2012-2013.

Question 1C- The third part of Question 1 asked school corporations and charter schools whether or not they were a member of an Educational Service Center.

Of those schools responding, 201, or 90.1% respondents reported that they were a member of one of the nine regional Education Service Center in 2011-2012 compared to 202, or 85%, in 2012-2013.

For schools that are a part of an Education Service Center, the membership fee or cost is typically based on one a fee per student or an annual fee. The following fee breakdown was provided:

- 140 schools out of 223 reported a fee per student that ranged from \$0 to \$10 in 2011-2012 compared to 134 schools out of 239 in 2012-2013;
- 8 schools reported a fee per student that ranged from \$10 to \$25 in 2011-2012 compared to 8 schools again in 2012-2013;
- 8 schools reported a flat fee per student that was greater than \$25 per student in 2011-2012 compared to 11 schools in 2012-2013;
- 7 schools reported an annual fee that ranged from \$0 to \$1000 to participate in an Education Service Center in 2011-2012 compared to 8 schools in 2012-2013; and
- 38 schools reported an annual fee of more than \$1000 to participate in an Education Service Center in 2011-2012 compared to 41 schools in 2012-2013.

Estimated total savings reported for those schools participating in an Education Service Center was estimated at \$5,994,570 in 2011-2012 and at \$5,787,191 for 2012-2013.

Question 1D- The fourth part of Question 1 asked school corporations and charter schools whether or not they were members of an insurance trust. One hundred sixteen, or 52% of survey respondents, answered they were a member of an insurance trust in 2011-2012 compared to 128 respondents, or 54%, in 2012-2013. The trust could be accessed through an Education Service Center or any organization that pools resources in order to obtain insurance.

For schools that are a part of an Insurance Trust, the membership fee or cost is typically based on either a fee per student or an annual fee. The following fee breakdown was provided:

- 12 schools out of 223 reported a fee per student that ranged from \$0 to \$10 in 2011-2012 compared to 9 schools out of 239 in 2012-2013;
- No school reported a fee per student that ranged from \$10 to \$25 in 2011-2012 compared to zero again in 2012-2013;
- 3 schools reported a flat fee per student that was greater than \$25 per student in 2011-2012 compared to 4 schools in 2012-2013;
- 63 schools reported an annual fee that ranged from \$0 to \$1000 to participate in an Insurance Trust in 2011-2012 compared to 60 schools in 2012-2013; and
- 38 schools reported an annual fee of more than \$1000 to participate in an Insurance Trust in 2011-2012 compared to 55 schools in 2012-2013.

Estimated total savings reported from those schools participating in an Insurance Trust was estimated at \$23,525,068 in 2011-2012 compared to \$22,453,006 in 2012-2013.

Question 1E- The next part of Question 1 asked school corporations and charter schools to respond whether or not they were a member of a fuel consortium.

Of the responding schools, 13, or 5.8%, indicated that they purchased through a fuel consortium in 2011-2012 compared to 17, or 7%, in the 2012-2013 school year.

For schools that are a part of a Fuel Consortium, the membership fee or cost is typically based on either a fee per student or an annual fee. The following fee breakdown was provided:

- 1 school out of 223 schools reported a fee per student that ranged from \$0 to \$10 in 2011-2012 compared to 1 school again in 2012-2013;
- No school reported a fee per student that ranged from \$10 to \$25 and the same for 2012-2013;
- No school reported a flat fee per student that was greater than \$25 per student in 2011-2012 and 1 reported such in 2012-2013;
- 8 schools reported an annual fee that ranged from \$0 to \$1000 to participate in a Fuel Consortium in 2011-2012 compared to 6 schools in 2012-2013; and
- 4 schools reported an annual fee of more than \$1000 to participate in a Fuel Consortium in 2011-2012 compared to 9 schools in 2012-2013.

Estimated total savings reported from those schools participating in a Fuel Consortium was estimated at \$571,652 in 2011-2012 compared to \$592,300 in 2012-2013.

Question 1-F The next part of Question 1 asked school corporations and charter schools to respond whether or not they were a member of an Energy consortium.

Of the responding schools, 87, or 39%, indicated that they were a member of an Energy Consortium in 2011-2012 compared to 92, or 38.5%, for the 2012-2013 school year.

For schools that are a part of an Energy Consortium, the membership fee or cost is typically based on either a fee per student or an annual fee. The following fee breakdown was provided:

- 3 schools out of 223 reported a fee per student that ranged from \$0 to \$10 in 2011-2012 compared to 11 schools in 2012-2013;
- No school reported a fee per student that ranged from \$10 to \$25 in 2011-2012 and the same for the 2012-2013 school year;
- No school reported a flat fee per student that was greater than \$25 per student in 2011-2012 and only 2 schools in 2012-2013;
- 43 schools reported an annual fee that ranged from \$0 to \$1000 to participate in an Energy Consortium in 2011-2012 and 34 schools in 2012-2013; and
- 41 schools reported an annual fee of more than \$1000 to participate in an Energy Consortium in 2011-2012 compared to 45 schools in 2012-2013.

Estimated total savings reported from those schools participating in an Energy Consortium was estimated at \$2,375,757 in 2011-2012 compared to \$2,057,282 in 2012-2013.

Question 1-G Schools that reported they were a part of a school corporation arrangement, governmental entity arrangement, or another arrangement estimated total savings at \$2,251,104, \$796,770, and \$1,565,103 respectively for 2011-2012 and \$642,693, \$1,298,725 and \$1,522,565 during the 2012-2013 school year.

Additionally, 199, or 89.24% of respondents said they were registered at K12Indiana.com to allow procurement through state purchasing agreements in the 2012-2013. Estimated savings from K12Indiana.com were reported at \$1,472,997 for the participating schools.

Question 2 open-ended regarding innovative ways to reduce costs

Question 2 asked for some of the innovative ways or best practices school officials have used to reduce costs. Additionally, school officials were asked whether it was through a consolidated purchasing agreement, share services, or cooperative agreement, schools were asked to specify.

The following responses were offered for question 2:

- Purchased energy through futures;
- Adopted new products has reduced utilization/costs for cleaning supplies;
- Independent bidding to achieve best prices;
- Negotiated prices with vendor through Region 8 ESC;
- Negotiated price through a state contract;
- Fuel bid with city, county and other schools;
- Member of national bid lists of US Communities;
- Energy Leadership Program;
- Employee online (online W2s, pay stubs)
- A/P Credit Card Program;
- Outsource custodians;
- Procurement card program (State program);
- Provide printing services to other Government entities;

- Inbound Freight program;
- Textbook accountability program;
- Volume food and commodities contract;
- Cafeteria disposables contract;
- Purchase used textbooks through Follett Education;
- Participating in special education programs with other entities such as Johnson County Special Services and East Central Education Center Co-Op;
- Account through Stapleslink.com for discounted prices;
- Use of a three quote process;
- Locking in future diesel fuel prices;
- Member of National Joint Power Alliance;
- Participation with Kokomo Career Center;
- Purchase of technology and building equipment and other supplies through State and Federal surplus;
- Use of Health and Wellness Clinics;
- Setting summer hours for business offices;
- Use of Indiana Public Employees Insurance for Workmen's compensation Insurance;
- Competitive purchasing for amounts greater than \$500;
- Consolidated purchasing with all Howard County schools for property, liability, and workman's compensation insurance;
- Working with other Service Centers;
- Install Equitrac software to monitor and limit the number of pages printed by students and staff;
- Used Hospital Purchasing Services, which is a consortium of schools, governmental units, hospitals and universities;
- Installed solar panels that were part of a FREE Grant to heat the water at Middle/High School;
- Share transportation expense of students to the Indiana School of the Blind with neighboring district;
- Cooperating with another local district to transport students to Vocational School;
- Closed an elementary school due to declining enrollment and renting out entire building to community and cooperative agencies with rental fees paying the utility and custodial costs for the building;
- Trained many administrators in the principals of Lean Six Sigma to help drive out waste and reduce cost;
- Update lighting and HVAC equipment with motion sensors to reduce energy consumption

Question 3 – School Corporation Independent Purchases

Question 3 – This question asked school corporations and charter schools whether they have purchased supplies or services independently that are available through a membership in any of the above listed organizations.

One hundred forty-one schools, or 63.2%, used independent bidding to achieve better pricing compared to 82 schools, or 36.8% that did not use independent bidding in 2011-2012 compared to 157 schools, or 66%, during the 2012-2013 school year. Fifty-six schools, or 25.1%, favorably responded to using brand preference compared to 74.9% that did not favorably responding in 2011-2012 compared to 65, or 27%, in 2012-2013 school year.

One hundred three schools, or 46.2% of respondents, reported they negotiated pricing with the vendor using service center pricing compared to 120 schools, or 53.8% that did not use negotiated vendor prices in last year's survey. In 2012-2013, 110 schools, or 46%, negotiated with vendors using Service Center Pricing to negotiate. Forty schools, or 17.9%, cited contractual obligations as a reason for purchasing supplies or services independently rather than through membership in an organization while 82.1% did not as part of last year's survey. Forty two schools responded as part of the 2012-2013 that they used contractual obligations.

Twenty-two schools, or 9.9%, used teacher packaging that was available at no additional charge compared to 90.1% that did not use teacher packing in 2011-2012 compared to 19 schools, or 8%, in the 2012-2013 school year. Teacher packing is a service provided by a few vendors that offers large discounts, free shipping, and packing of orders by teacher or classroom upon request.

Local vendor allegiance was a contributing factor for 93 schools, or 41.7%, in 2012, or 130 schools, or 58.3%, that did not use vendor allegiance compared to 93 schools in the 2012-2013 school year. For 2012, the State's QPA was used by 106 schools, or 47.5%, compared to 117 schools, or 52.5% that did not use vendor allegiance. In 2013, 102 schools, or 43%, used the State's QPA process. Thirty two schools, or 14.3% of those responding, used local government inter-local agreements while 191 schools or 85.7% did not in 2011-2012 compared to 37 schools, or 15%, in 2012-2013 school year.

➤ EDUCATION SERVICE CENTER SURVEY RESULTS

Education Service Centers (ESC)

For the 2012-2013 school year, two separate reports were filed for Education Service Centers. The first report was for Wilson Education Service Center (WESC) and the second report covered the remaining eight regional Education Service Centers.

WILSON EDUCATION SERVICE CENTER

Wilson Education Service Center "WESC" located in Region 2, provided information in three areas- consolidated purchasing services, shared services, and explored services for its members. Its membership includes 38 schools, both private and public. Additionally, 191 service centers, public, charter and private schools that are not members of Wilson Education Service Center have participated in activities undertaken by WESC during the 2012-2013 school year.

Consolidated Purchasing Sales

Consolidated purchasing sales for Region 2 totaled \$18,950,916 for 2012-2013 compared to \$23,994,340 for the 2011-2012 school year with the majority of purchases coming from school bus at \$6,892,759, computer equipment at \$5,813,337 and copy paper at \$975,225. The three items made up 72.2% of the total purchases for the Region. Total savings realized by Wilson Education Service Center was \$4,082,191 compared to \$5,617,510 during the 2011-2012 school year. Member units accounted for 36.6% of the total purchases while non-member units accounted for 63.4% of total purchases. For savings, member units represented 27.15% of the total with non-member units accounting for 72.85% of the total sales.

Overall, New Albany-Floyd Co School had total purchases of \$1,077,089 and total savings of \$148,787. The savings represented 13.4% of the WESC savings. West Clark Community Schools had total purchases of \$641,115 and total savings of \$150,792, which represented 13.6% of savings. Jennings County Schools had total purchases of \$478,156 and total savings of \$52,150, which represented 4.7% of total savings. The top three areas for total purchases between all member schools were school buses at \$3,301,738, miscellaneous at \$356,503, and computer equipment at \$766,955. These three areas represented 63.8% of the total purchases.

The top three non-member participants in consolidated purchases were Avon Community Schools with \$1,260,424 in purchases and \$85,799 in savings; Franklin County Community Schools with \$513,821 in purchases and \$171,423 in savings; and Warsaw Community Schools with \$1,375,517 in purchases and \$253,326 in savings. The top three purchasing areas for non-member participants were computer equipment at \$5,046,382; copy paper at \$628,940 and school buses at \$3,591,021.

The table below summarizes consolidated purchasing activities for all public and private schools in the Wilson Education Service Center Region for both members and non-member participants.

Total savings for all members and non-members was \$4,082,191 which is down from last year's savings total of \$5,617,510 for the school year. Total purchases were \$18,950,916, which was also down from last year's total of \$23,994,340 for the school year.

WESC Consolidated Purchasing Sales	Total purchasing	Art Supplies	Audio Visual	Copy Paper	Carpet Tiles	Classroom Supplies	Miscellaneous	Computer Equipment	Copiers	Custodial Supplies	First Aid Supplies
ESC2 - Wilson ESC	18,950,916	147,746	504,492	975,225	371,796	810,772	369,234	5,813,337	653,939	151,677	26,725

WESC Consolidated Purchasing Sales	Furniture	Ink Cartridges	Lamps Ballasts	Library Supplies	Office Supplies	School Bus	Software	Life Insurance	Long Term Disability	ISESC Trust	Sports supplies
ESC2 - Wilson ESC	94,056	503,943	21,587	164,229	357,411	6,892,759	409,335	159,850	163,457	339,009	20,337

Shared Services

Shared service activities represent a combination of member and non-member services and 102,864 opportunities in 2012-2013 compared to 88,741 opportunities for the 2011-2012 school year. It represents a value added service reflected through a count. The three largest areas of shared services represented 98.5% of the activity. The top three areas included 75,994 E-procurement transactions, 22,772 Professional Growth points issued, and 2,515 school background checks.

The top three schools using shared service opportunities were non-member WESC with 80,411, S. Harrison Community School with 2,185, and Sunman Dearborn Community Schools with 2,779 shared service opportunities. There was not a shared service category that was utilized by all participants. There were a few categories with very little participation my members and non-members. Those areas included Star lab Services, Destination Imagination, Learn 360, Mini-Courses, and CBT Nuggets.

The table below provides a shared service summary for WESC for the 2012-2013 school year.

WESC Shared Services Summary	Total	Learn 360	CBT Nuggets	Prof Videos loaned	Star lab	On Site Prof. Dev.	Web Based Prof. Dev.	Prof Growth Points	Instructional Kits
ESC2 - Wilson ESC	102,864	42	26	4	244	312	158	22,772	117

WESC Shared Services Summary	Destination Imagination	SES Students Trained	Mini-courses	Graduate Credit	Textbook Caravan	AV Copier Repair	K-6 reading	School background Checks	E-procurement
ESC2 - Wilson ESC	47	55	49	117	111	69	232	2,515	75,994

Explored Services Summary

Wilson Education Service Center had 156 offerings for explored services in the areas of Dual Credit, Educational Research, Education 20/20, and RISE Evaluation. The participants, both member and non-members, each explored each area one time for a total of four explored service activities. Each area represented 25% of the overall activity.

Below is the summary of explored services for the 2012-2013 school year for Wilson Education Service Center.

WESC Explored Services Summary	Total	Dual Credit	Educational Research	Education 20/20	RISE Evaluation
ESC2 - Wilson ESC	156	39	39	39	39

OTHER EDUCATION SERVICE CENTERS

Educational service centers are organized in a nine-region structure (see diagram below) that serves the needs of its 295 member school corporations and charter schools as well as associate and non-members by providing core services such as educational planning, project piloting, commodity buying, media and technology services, as well as providing professional development opportunities. ESCs support and facilitate actions by school corporations through a wide range of products and services, which enable members to realize dollar savings through volume discounting. Service centers enable cooperative purchasing, and service sharing activities as well. Identified savings can be translated into additional available dollars for classroom instruction and instructional activities. This structure allows school corporations the opportunity to offer cooperative and shared programs and services that it may not be individually able to provide but can collectively provide through the Education Service Center.

ESCs are funded through membership fees, administrative fees, and develop other self-generated income activities, such as grant writing and entrepreneurial programs. Membership in an ESC is not mandatory, but voluntary, for school corporations, with the average membership fee at \$4.38 per Average Daily Membership (ADM) compared to the minimum required fee of \$3.00 per ADM. The Indiana General Assembly determines the minimum required fee as part of the biennium budget.



- 1 Southern Indiana ESC
- 2 Wilson Education Center
- 3 West Central Indiana ESC
- 4 East Central ESC
- 5 Wabash Valley ESC
- 6 Northwest Indiana ESC
- 7 Northern Indiana ESC
- 8 Region 8 ESC
- 9 Central Indiana ESC

Education Service Centers actively recruit new membership in order to reduce costs to schools that may be working independently to make purchases or provide services. (See Service Center Membership by Region below) By helping corporations realize economies of scale, the service centers are helping school corporations, charter schools, and private schools become more efficient and effective in their efforts to direct monies to the classroom.

ESCs regularly survey their membership in an effort to identify potential service needs and then use that information to research the feasibility of piloting and/or offering those services to member schools. This report will touch on some of these efforts as both the ESCs and corporations continue to seek ways to save money and provide valuable services and/or programs.

Through cooperative and shared services, ESCs can assist school corporations with offering, supplementing, equalizing, and supporting their initiatives and activities in a school district that may not be able to provide supplemental programs and services to its students without these arrangements. Below is a table identifying Service Center membership by region. The other category includes public schools outside the region, private schools, cooperatives, and non-member entities.

Service Center Membership by Region				
<u>School</u>	<u>Charters</u>	<u>Other</u>		
<u>Corps</u>				
34	0	12	1	Southern Indiana ESC
separate	report	filed	2	Wilson Education Center
20	1	7	3	West Central Indiana ESC
43	0	6	4	East Central ESC
36	2	8	5	Wabash Valley ESC
21	7	11	6	Northwest Indiana ESC
35	2	3	7	Northern Indiana ESC
33	1	13	8	Region 8 ESC
<u>0</u>	<u>0</u>	<u>0</u>	9	Central Indiana ESC
222	13	60		Total Membership

Table 1 Public School Corporation, Charter School and Other Membership by Region

Role of the ESC in Consolidated Purchasing and Shared Services

Educational Service Centers actively assist, support, and facilitate procurement activities for school corporations by removing much of the administrative overhead involved with specifications writing, advertising, bidding, evaluating, and awarding products through the use of ESC cooperative agreements. This service is of particulate value to any school that does not have the resources to perform the work using internal staff. Having this service enables schools of all sizes the opportunity to participate on programs and purchasing arrangements that might have been too expensive in terms of time and money if done so on an individual basis.

Each task in the bidding and procurement process carries significant costs to school corporations in terms of time, staff, and financial resources and this is particularly true for smaller school districts. When ESC’s services are utilized, the resulting monetary savings can translate directly into increased dollars available for the classroom.

In this year’s survey, it was reported by ESCs that they jointly supported 222 public school corporations, 13 charter schools, 60 other members and non-members with cooperative purchasing practices. Total ESC membership, including Wilson Education Service Center, to date is 332 entities compared to last year’s figure of 349 entities, representing a little more than a four percent decrease. Additionally, ESCs provided supplemental services and programs that directly affected achievement for 695,571 (excludes Wilson ESC) students compared to last year’s student count of 711,574 students by providing learning opportunities for students or in-service opportunities for the member educators. If private schools, parochial schools, and other governmental entities participate in cooperative purchasing through the ESCs, the data generated from the school is included in the report.

Questions 1 & 2 - ESC Consolidated Purchasing Efforts

Question 1 – This question inquired whether or not Education Service Centers entered into consolidated purchasing arrangements on behalf of multiple schools or charter schools.

Education Service Centers did enter into consolidated purchasing arrangements on behalf of multiple school corporations and charter schools as well as private schools and cooperatives.

Question 2 – This question asked Education Service Centers to provide a listing of such consolidated purchasing arrangements to include the commodity or item purchased, volume (if known), participating school corporations or charter schools, and estimated savings realized.

Cooperative purchasing sales for the 2012-2013 school year totaled \$151,498,376 for the all categories. For 2011-2012, the total was \$189,926,611 statewide, reflecting a decrease of \$38,428,235.

Cooperative purchasing sales is broken into Statewide and Local categories. For the state, the total was \$57,221,175 compared to the local amount of \$94,277,201. The local share was 62.3% of the total amount.

Top consolidated purchasing sales were \$42,043,756 in Central IN Education Service Center, \$25,139,845 in Wabash Valley ESC, and \$18,739,773 in Northwest IN ESC. Last year's top purchasing sales were Central IN ESC at \$52,283,417; Region 8 at \$29,688,237; Northwest IN ESC at \$27,620,576; and Wabash Valley ESC at \$25,933,171. The majority of all purchases came from Central IN ESC representing 27.8% of the total purchases of the represented Education Service Centers.

Estimated savings were \$15,149,838, which equates to \$21.78 per student. The return on investment was 498%, which was calculated by dividing estimated savings by the membership fee. The top five areas of consolidated purchasing sales were:

1. School bus purchases at \$42,862,409
2. Food service at \$34,449,713
3. Health insurance at \$33,071,667
4. Dairy at \$12,879,296
5. Information technology at \$4,529,796

Last year, school bus purchases, food service, health insurance, dairy, and information technology were the top five areas of consolidated purchasing sales.

Other collaborations for the 2012-2013 school year included liability and workmen's compensation, classroom supplies, copy paper, bakery, bulk fuel, commodity food, and audio visual. Purchasing sales were also made in many other areas at lesser amounts.

For 2011-2012, purchasing sales were \$189,926,611. ESCs with the top purchasing sales in 2011-2012 were Central IN ESC at \$52,283,417; Region 8 at \$29,688,237; Northwest IN ESC at \$27,620,576; and Wabash Valley ESC at \$25,933,171. The majority of all purchases came from Central IN ESC representing 27.5% of the total purchases of the represented Education Service Centers.

For 2012-2013, participating ESCs reported purchases in the areas of art, audio visual, copy paper, food service, liability and workers compensation, school bus, and office. Some areas noting fewer purchasing activities included administrative software, roofing, books, food service supplies, and tech recycling. No activity was reported in administrative software, Achieve 3000, Apple Computer, Classroom Resources, and classroom paper.

Total purchases per student ranged from \$501.89 at West Central IN ESC to a low of \$130.45 at Southern IN ESC.

The top three purchasing sales for each area were:

- Southern IN ESC
 - School bus purchases at \$2,012,647
 - Dairy at \$870,301
 - Commodity Food at \$788,659
- West Central IN ESC
 - Health insurance at \$9,135,431
 - School bus purchases at \$3,568,380
 - Food service at \$1,154,161
- East Central IN ESC
 - Health insurance at \$10,501,393
 - School bus purchases at \$4,309,215
 - Food service at \$1,608,420
- Wabash Valley ESC
 - Health insurance at \$13,434,843
 - School bus purchases at \$6,380,542
 - Information technology at \$2,325,405
- Northwest IN ESC
 - Food service at \$8,164,485
 - Dairy at \$1,894,580
 - School bus purchases \$4,188,140
- Northern IN ESC
 - School bus purchases at \$6,940,329
 - Dairy at \$1,965,493
 - Food service at \$1,317,025
- Region 8 ESC
 - Dairy at \$2,710,687
 - School bus purchases at \$4,714,862
 - Food service at \$4,005,046

- Central IN ESC
 - Food service at \$17,249,813
 - School bus purchases at \$10,748,294
 - Dairy at \$5,225,325
- Wilson (separate submission)

Total cooperative purchasing revenue for all ESCs included in the report for 2012-2013 was \$668,129 with statewide cooperative revenue of \$230,827 and local revenue of \$437,302. Statewide cooperative revenue was 34.5% and local revenue was 65.5% of the total. This compares to 2011-2012 revenue of \$538,184 with statewide cooperative purchasing revenue of \$160,481 and local cooperative purchasing revenue of \$377,703. Statewide cooperative revenue was 29.8% of the total while local cooperative revenue was 70.2% of the total in 2011-2012.

Education Service Center Revenue per student was \$0.96 compared to \$0.76 last year. The top five revenue sources, representing 70.16% of the total, are:

- Food Service \$192,684
- Dairy \$105,042
- School Bus Purchase \$ 90,000
- Health insurance \$ 45,677
- Classroom supplies \$ 35,355

Other revenue sources included administrative audio visual, copy paper, information technology, bakery, commodity food, office supplies and more.

Revenue totals by service district are Southern IN ESC- \$27,698, West Central IN ESC- \$64,386, East Central ESC- \$32,084, Wabash Valley ESC- \$61,969, Northwest IN ESC- \$133,849, Northern IN ESC- \$89,079, Region 8 ESC- \$125,236, and Central IN ESC- \$133,826. Wilson ESC filed a separate report.

Questions 3 & 4 - ESC Shared Services Efforts

Question 3 – The question asked Education Service Centers if, during the last twelve months, the Service Center entered into any shared service arrangements on behalf of multiple school corporations or charters schools.

Question 4 – This question asked Education Service Centers to provide a listing of shared services arrangements among school corporations or charter schools, including the kind of the shared service, the school corporations involved, and an estimate of savings realized from this arrangement.

During the 2012-2013 school year, there were 52 shared service opportunities compared to 50 opportunities offered by Education Service Centers during 2011-2012. Shared services are difficult to quantify, but information indicates school administrators consider this the greatest value of being a service center member. Because shared service

encompasses both activities and opportunities, providing a dollar amount associated with the opportunities is not practical.

The top five areas of shared services were:

- Stream, Learn 360 at 89,081, representing the number of items streamed;
- Substitute teacher system at 67,463;
- Professional Growth Points at 50,725 representing the number of credits issued to teachers, principals, etc. for license renewal;
- Britannica at 49,709 representing the number of students served; and
- Media services at 24,747

Educational Service Centers shared service totals were:

- Wabash Valley ESC at 60,956
- Northwest IN ESC at 50,770
- Northern IN ESC at 30,405
- East Central ESC at 28,673
- Region 8 ESC at 29,894
- Southern IN ESC at 38,580
- West Central IN ESC at 10,827
- Central Indiana ESC at 107,385

Other shared service opportunities included Starlab, Indiana Online Academy, Professional Development Attendees, E-Procurement Orders, Instructional Resource Kits, Drivers Education, Starlab instruction, Professional meeting attendees, Background checks, and more. The bottom three Shared Service Categories were Board documents, Network Security, and Reading Recovery.

Questions 5 & 6 - ESC Shared Services Efforts

Question 5 – This question asked whether a Service Center explored cooperating purchasing, shared management services, or consolidations on behalf of school corporations or other charter schools.

The Explored Services area represents a group of unlike activities and opportunities that is driven by members. An Explored Service is an activity or service that the Educational Service Center explores the value of for members either to purchase or share. If interest is expressed or a potential benefit exists, the Educational Service Centers will offer the activity or opportunity as a shared service or consolidated purchase in the following year, in this case 2014.

Of the eight service centers, included in the report, three reported explored cooperative purchasing, shared management services, or consolidations on behalf of school corporations and five did not report explored services. Wabash Valley ESC explored service totaling 245, West Central ESC at 21, and East Central at 511. The overall total of explored services for all ESCs was 777 compared to a total of 1,018 explored services during 2011-2012.

The shared services category offers numerous professional development opportunities to participants. Programs include Study Council, RISE Principal Evaluation, Textbook Caravan, School Nurses Conference, Feedback Coaching Conferencing, and School Indoor Air Quality to name a few. Service centers track member participant savings under professional development based on the type of program offered and the ability to use the membership discount when applying to a program. For professional development, education service center total member discount savings and total number of attendees were:

	Total Member Discount	Total Attendees
Northwest IN ESC	\$255,305	2,127
Region 8 ESC	\$ 87,005	1,367
Southern IN ESC	\$ 47,395	1,161
West Central IN ESC	\$ 58,375	536
East Central ESC	\$ 72,860	2,303
Wabash Valley ESC	\$ 37,555	1,169
Northern IN ESC	\$ 53,810	1,064

Question 6 – This question asked for a listing of activities pertaining to cooperative purchasing, shared management services, or consolidations to include the nature of the activity and the school corporations or charter schools involved.

Opportunities	Explored Services	Participating ESC
35	3rd Party Food Svc. Bid	East Central
0	Common Core Math Mail	
4	Alternative Schools	Wabash Valley ESC
34	Wellness Clinics	West Central ESC, East Central ESC; and Wabash Valley ESC
0	Design Build	
0	Bonds for Building	
0	Online School Safety PD	
41	Background Checks	East Central ESC
0	New Tech in Copying	
41	Exp Criminal History Check	East Central ESC
0	New Roofing Tech	
0	Updating WiFi	
89	Teacher Evaluation Tech	East Central ESC; Wabash Valley ESC
0	Tech Fair	
42	Strategic Planning	Wabash Valley ESC
42	School Board Retreat	Wabash Valley ESC
0	Prof. Dev. Library	
42	Community Engagement	Wabash Valley ESC
0	Consolidation Studies	

42	PR Marketing	Wabash Valley ESC
28	Natural Gas	East Central ESC
47	Offsite Backup	East Central ESC
0	Online Drivers Ed	
0	Outsourced Custodial	
44	Risk Management	East Central ESC
0	RUS Grant	
48	Staff Application Services	East Central ESC; Wabash Valley ESC
35	Stream: Learn 360	East Central ESC
46	Tech Recycling	East Central ESC
7	Video Conf Meetings	Wabash Valley ESC
7	Video Conf Shared Classes	Wabash Valley ESC
48	Video Conf Training	Wabash Valley ESC; East Central ESC
0	Wind Farm	
0	Shared Instructional Technology Coach Marketing	
47	Video Media Services	East Central ESC
8	Migrant Worker Grant	Wabash Valley ESC
777	TOTAL	

Conclusion

Education Service Centers continue to offer members and nonmembers with opportunities to consolidate purchasing and shared service arrangements as well as explore common areas of interest. Through their work, Education Service Centers provide school corporations, charter schools, nonpublic schools and other members the opportunity to focus their time, attention, and effort on implementation of consolidated purchasing and shared service activities rather than devoting internal time and resources to determine what options are available.

With these options available to members and nonmembers, small and large entities can explore services that could potentially create efficiencies in operations or expanded services. Having the ability to develop programs to effectively serve students and/or teachers is essential to being successful in today's educational environment.