



Briefing Note

Subject: Shared services update for K-12
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Date: December 1, 2014

Introduction

In recent weeks CUPE has come into possession of a number of documents relating to the BC Ministry of Education's Shared Services initiative. These documents offer insight into the nature of MOE plans in this area, their projected timelines and the potential impacts on CUPE.

The documents are:

- A summer 2014 Powerpoint deck prepared by Deloitte Consulting on the topic of shared services implementation in BC's K-12 sector.
- Deloitte Consulting's Phase 1 report on shared services, dated October, 2014, summarizing work to date and next steps.
- The MOE's response by letter to a joint CUPE/BCPSEA request for consultation on shared services plans, pursuant to a provision of the June, 2014 support staff/BCPSEA framework agreement for settling 2014-2019 collective agreements.

What is shared services?

At the outset, it is important to emphasize that shared services is not the same as school district amalgamation. Shared services is an alternative to amalgamation. Shared services allows school boards to maintain formal independence while having certain aspects of the way they operate consolidated and controlled in a shared manner across jurisdictions. That way, potential benefits of shared services – whether real or otherwise – might be realized without entering a fractious process that sees certain school districts absorbed by others.

The last time BC school districts went into a merger process was under the NDP in the early 1990s. At that time, 15 school districts were merged into others reducing the overall number from 75 down to 60. The process was messy and involved considerable

political backlash amongst disaffected districts and communities. The current Liberal government in Victoria is known to be anxious to avoid stepping into this type of mess and, for this reason, the issue of school district amalgamation is not on today's political agenda.

Work to date and current priorities

Concrete work on a K-12 shared services initiative got underway in the wake of the 2012 provincial budget with the preparation of an initial exploratory report by external consultant Deloitte. Then Minister George Abbott wrote to boards on the subject in August of that year. While citing an interest in realizing efficiencies and finding cost savings, Abbott's letter made the following statement.

“The Ministry intends to focus on only those items where there are reasonable prospects for collaboration with school districts and where savings can be generated in the near term. We are not interested in exploring major outsourcing or privatization of education support services.” (emphasis added)

Since the fall of that year, active work on the initiative has proceeded. Deloitte has been retained as lead consultant to work with a series of committees comprising Ministry and school district personnel, fleshing out options and plans for moving forward in a number of identified priority areas.

Through the startup phase of this initiative, the Ministry went to great lengths to emphasize it was not going to force a shared services agenda down anyone's throat nor would boards be coerced to take part. Rather, shared services was to be a voluntary initiative that would stand on its own merits and attract district participation on the basis of those merits.

In June, the Ministry did an update presentation on shared services work at the annual conference of the BC Association of School Business Officials (BCASBO) in Penticton. The Ministry's point people on this work are Mike McKay, former superintendent in SDs 63 Saanich and 36 Surrey, and Joan Axford, recently retired secretary-treasurer in SD 63 Saanich. From McKay's comments in particular, it was unclear whether the Ministry continues to adhere to Abbott's original approach; indeed, he suggested the original guiding principles based on voluntary and collaborative participation were likely to be re-evaluated.

Currently, shared services work proceeds in a number of areas. The October Deloitte report offers the following summary of potential shared serviced projects.

Functional Area	Shared Service Opportunity
Procurement	P-cards
	Strategic Sourcing (including fuel purchasing)
Transportation	Student Transportation Delivery
	White Fleet Procurement
	Transportation Centre of Excellence (CoE)
Facilities Management	Facilities Management (including custodial services)
	Energy Management
Capital Management	School Design
	P3 Models
	Capital Planning CoE (including Project Bundling)
Information Technology	Printers and Multi-functional Devices (MFDs)
	Email and Unified Communications
	SharePoint
Human Resources	HR/Payroll System
	Attendance Support, Wellness and Occupational Health and Safety
	Worksafe Claims Management
	Recruitment
	Dispatch
Finance	Financial Management System
Legal	Legal Services

To enable start-up of the initiative, the Ministry will spearhead creation of a formal Shared Procurement Entity by January of next year. The Entity will set out governance requirements along with organizational and operating procedures.

Shared services' initial focus will be on purchasing cards, fuel and student transportation vehicles. By March, work on an HR/Payroll pilot in SD 39 Vancouver is expected to reach an implementation phase. Following that, efforts will be taken to explore the "on-boarding" of additional school districts. And by April of 2015, initial groundwork will have been laid for a Labour Litigation Risk Pool, leading over time to a sharing of management-side legal resources under BCPSEA auspices.

From the above list, these are the only shared services initiatives that have specific timelines set out in Deloitte's update.

Work is to proceed in the area of "Attendance Support, Wellness and Occupational Health and Safety (involving both CUPE and BCTF), and on planned initiatives for savings in the IT area (an upgrade to the provincial network, printing, voice communications and email) but none of these areas have explicit timelines set forth.

CUPE and shared services

Back in 2012, then Deputy Minister James Gorman gave a specific undertaking to CUPE reiterating the Minister's view that shared services would be done in a voluntary and

collaborative manner and that it would not involve an assault on CUPE jobs or bargaining units.

Nonetheless, in both the 2011 and 2013 rounds of provincial K-12 negotiations, BCPSEA tabled language that would give employers the ability to override support staff collective agreement provisions standing in the way of shared services implementation. Owing to the resistance of CUPE at the bargaining table, BCPSEA has not been successful in having such language incorporated into the provincial framework agreement.

In the bargaining round concluded this past June, CUPE and BCPSEA did agree to a provision reading as follows:

“ The Parties will write a joint letter to the Ministry seeking agreement to include representatives from the support staff unions in a consultation process involving shared services undertakings that may have an impact on support staff positions.”

Near the end of November, the Ministry responded to the CUPE/BCPSEA letter, agreeing to set up an initial meeting to start the consultative process.

Barriers to shared services

CUPE’s public school collective agreements still contain many job security provisions that would impede a smooth implementation of shared services arrangements. Given the political and legal problems the government has brought upon itself by unilaterally changing elements of teacher collective agreements, it is unlikely that it would proceed down a similar course by legislatively overriding the provisions of support staff agreements that complicate forward movement on shared services.

District buy-in to shared services is another potential issue. Shared services stands to disrupt established systems and relationships that have been developed over years and which may in their current form work well. Unless there is a concrete benefit that flows to boards of education, local uptake is likely to be tepid in these circumstances.

Upfront investment of financial resources is a third concern. The Deloitte report discusses this issue, noting that boards have little in the way of local capital reserves that might be drawn on to finance shared services implementation. The report also confirms that MOE budgets have no money dedicated to this purpose either.

From these observations, the report concludes that specific plans need to be developed for documenting, realizing and distributing operational savings from shared services back to the budgets of participating boards.

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