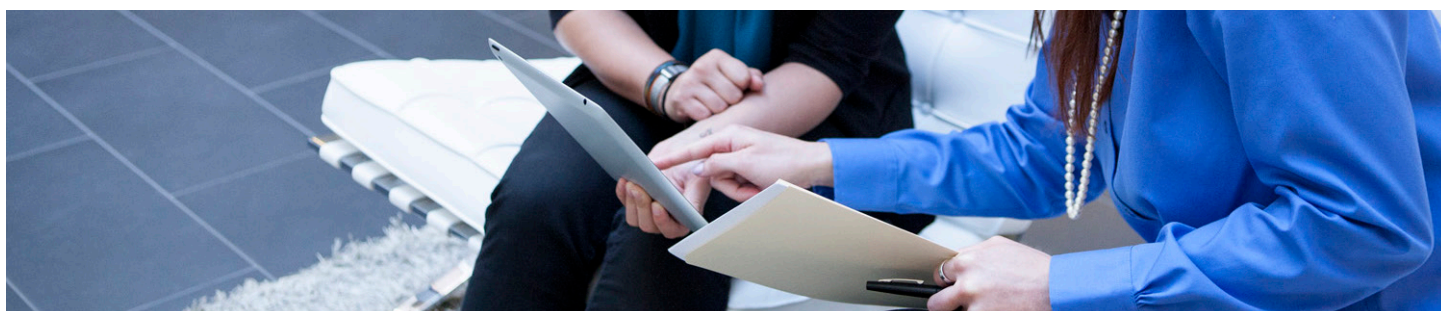


SHARED SERVICES CASE STUDY

How the Missouri State
Association Encouraged Four CAAs
to Share Services

This case study is based on CAPLAW's interview with Elaine West, who at the time was the executive director of the Missouri Association for Community Action (MACA). (Ms. West, the long-serving executive director of MACA, has since retired.) This case study examines how one state association was able to facilitate an exploration of sharing services among several Community Action Agencies in its state.



ROLE OF THE STATE ASSOCIATION

According to Ms. West, the state association should play an active role in helping to facilitate mergers and shared services among CAAs in the state. "Part of our mission is to increase the capacity of our member Community Action Agencies and, when I think about capacity these days, I am concerned about some of our smaller agencies' capacity to meet the needs of the growing number of low income. Poverty is increasing in our state at the same time some of the funding is decreasing. And so ... I started thinking about ...what are we going to do to address the capacity of the smaller Community Action Agencies?" Due to their size, smaller CAAs in particular may face a difficult time in marshaling the resources required to serve their communities. Ms. West identified a need among smaller CAAs for increasing capacity to deliver services, which could be met through sharing services or merging with other CAAs. According to Ms. West, sharing of costs and services among smaller CAAs "is so needed because they just don't have the funding to support all the

administration of an agency. So if they shared their HR staff or their fiscal or ... any of their main administrators, if they shared Head Start directors ... it would [result in] cost savings."

ENCOURAGING CAAs TO TALK ABOUT SHARING SERVICES

She decided to start by encouraging discussions about shared service among several smaller CAAs in Missouri. She reached out to the executive directors of four smaller, neighboring CAAs, who, in response, expressed an interest in working together. Using Community Services Block Grant (CSBG) training and technical assistance (T&TA) funds from the state, MACA hired a consultant to facilitate a meaningful and productive discussion and exploration among the four interested executive directors.

Through regular dialogue and the help of the consultant, the four executive directors were able to develop trusting

relationships, which enabled them to feel comfortable in talking about their areas of concern, their organizations' weaknesses and how they saw their future. The conversation between the executive directors was also facilitated by surveys and assessments that analyzed each CAA's strengths and weaknesses. After a period of seven months, two of the executive directors decided to enter into a shared service agreement to share a fiscal director.

MACA was instrumental in securing additional T&TA funding from the state CSBG office for phase two of the initiative. **After building relationships among executive directors, the plan for the second phase was for the leadership teams of the four CAAs to meet each other and begin building relationships and looking at their strengths and areas of concern, as well as ways they might share administrative costs or administrative staff.** Ms. West noted that "Of the four agencies, all have weatherization, but only one of the four currently has a weatherization director. So ... they've got some real opportunities here to make some changes." These relationships in turn may lead to further ideas on how to share staff or services, and reduce costs.

According to Ms. West, in phase two, the CAAs will be developing a joint business or strategic plan and creating a culture of collaboration. "That's just a different way of thinking because ... a Community Action Agency is kind of ... their own entity ... [so] it's just looking at how they function just in a different way." She observed that "It's exciting ... that they are willing to venture out and try something new." "It is up to us ... the state and MACA, to support them, to help them do what they see they need to do."

THE "M" WORD

Ms. West noted that the word "merger" had not yet been used, except in private conversations. "Although we're not using the word 'merger'—we're just talking about shared costs – I think that they realize that it could be what's needed for the future." She observed that an executive director's upcoming retirement could provide a good opportunity to consider merging: an executive director considering retirement might say "you know, if I retire, then that would be a good time for the agency I work for and the agency next to me to go together."



CREATIVE THINKING

"If you just let your mind do some brainstorming there's all kinds of possible ways it could start." Ms. West believes that building relationships between executive directors and their leadership teams, and encouraging creative thinking can lead to collaborations that can improve the competitiveness and the sustainability of smaller CAAs. If leaders from different CAAs can build trusting, productive relationships, they can come up with many creative solutions to tight budgets and decreasing funds. There are many ways in which administrative and programmatic costs can be shared and reduced if leaders trust each other and want to work together. For instance, CAAs could share a single weatherization program director and crews to provide weatherization services across multiple counties and service areas. Joint business and strategic plans can be produced to take advantage of several CAAs' strengths and resources. Eventually, these close relationships could lead to mergers. According to Ms. West, "you have to be willing to do some brainstorming and try something different."

ADVICE FOR STATE ASSOCIATION DIRECTORS

“Sometimes I feel like, have I made any kind of difference?” Ms. West mused, “And when I look at what’s happening up there ... [and] what I’ve done it seems to me ... I may be making a difference ... by just pushing them.” “If I were to give executive directors of state associations advice,” she said, “I think you have to take some risks and push your agencies. And it is risky because you do work for them, [but] I think association directors are in a different place, and see things in a broader view, and sometimes [have] a more objective perspective.”

LESSONS LEARNED

- Because of their broad and objective perspective on the circumstances of their member CAAs and the opportunities that might be available to them, state association executive directors can play an important role in facilitating meaningful discussions and explorations of shared services and mergers among their members. State association directors can help CAA executive directors build relationships and trust with one another and can suggest ideas and ways that CAAs may be able to work together to share or reduce costs.
- State associations can also play an instrumental role in securing funding for exploration and, if applicable, implementation of shared services or mergers involving CAAs – for example, by leveraging its relationship with the state CSBG office to procure T&TA funds for this purpose.

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