

SHARED SUPPORT SERVICES

PURPOSE: The purpose of shared support services (operations support governance) is to guide decisions regarding the quality and cost of professional business services shared throughout the department, which are provided and paid for by operating units.

Background

Over the past several years, the DNR has transitioned to a Shared Support Services (aka: Operations Support Governance) model, where the shared professional business services of the department are paid for by the operating units that require the services.

The Legislature approved this transition through:

Laws of 2005, First Special Session, Chapter 1, Section 3 (DNR appropriations)

- The FY06-07 appropriations for the DNR included a shift of direct appropriations from Human Resources and Management Resources to the division programs

Laws of 2007, Chapter 57, Section 4 (DNR appropriations)

- The FY08-09 appropriations for the DNR included a shift of direct appropriations from Office of Management and Budget Services and Information & Education to the division programs

Shared support services include:

- Management Resources (e.g., information systems; equipment management; facilities management; materials management; safety)
- Office of Management and Budget Services (e.g., budget services; business operations; internal audit; policy, research, and planning services; grants management)
- Human Resources (e.g., HR operations; HR consulting services; labor relations),
- Information and Education (e.g., information center; creative services; media, marketing, and special events; education).

The Operations Support Program (i.e.: Commissioner's Office and Regional Operations) continue to receive direct appropriations and are NOT included in Shared Support Services.

Units in DNR receive and pay for shared support services based on required and agreed upon levels of service, tied directly to a unit's business practices.

OPERATING STRUCTURE: The Commissioner provides executive direction for all of shared support services activities. The Commissioner delegates oversight of shared support services to an Operations Support Governance Board. The Board identifies strategic issues, sets direction within the boundaries established by the Commissioner, and recommends revisions in

service level agreements to the Commissioner. Through its working committees, the Board evaluates performance measures including service level, service quality and service cost. The Board members are DNR Senior Managers.

Funding Source

The Shared Support Services functions no longer receive direct appropriations. Shared Support Services are paid for based on the business activity level of each operating unit.

There is variation in division need for each operations support service. The variation in need is a product of factors such as:

- Number of employees,
- Number of transactions,
- Types of items purchased,
- Amount of equipment involved, or
- Size of expense.

Actual costs are charged based on the amount business activity, which is determined by metrics developed for each activity and in proportion to the level of services required.

According to a recent OLA report, an “acceptable allocation method [for shared support services] would allocate the costs to a dedicated funding source in a way that reasonably approximates the actual cost of those services to that source.”

The DNR has responded to this audit report by going to a more equitable system that charges all funds based on actual activity.

Fund Integrity

The divisions allocate shared services costs across all appropriate funding sources. These allocations tie directly to the level of Shared Support Services utilized by programs.

Programs that require Shared Support Services where funding sources limit or don't allow these costs must find other appropriate sources of funding to cover these costs.

- This disproportionately shifts costs to other dedicated funds, or the General Fund, which is particularly problematic in light of the long-term decline in General Fund appropriations
- Dedicated funds with specific requirements cannot be used to cover costs driven by other programs