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State of New York
Office of the State Comptroller
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This letter represents the Onondaga-Cortland-Madison BOCES' (hereinafter referred to as OCM BOCES) response to the draft of the "Cost-Effectiveness of BOCES' Non-Instructional Services" audit. The OCM BOCES Board of Education firmly believes that the BOCES approach to the development of services is cost effective, saves taxpayer dollars before BOCES aid, and is consistent with the needs of its component school districts. While we appreciate the professionalism with which the Comptroller's Office staff conducted the audit and reported the findings, we must respectfully disagree with the audit results.

The efforts of the New York State Comptroller to determine whether BOCES non-instructional services save taxpayer dollars prior to incentive aid are laudable. The methodology, however, was limited and does not provide an accurate or comprehensive answer to the question of cost effectiveness.

A school district will choose to turn to a shared service with other districts for a variety of reasons. While saving money is an important reason, other reasons include the lack of expertise, the need for additional support, or problems with the implementation of the service. Similarly, a district's reason for participation, or for leaving a service, are unique to individual districts and must be analyzed in order to truly determine the cost-effectiveness of BOCES services. The analysis provides an incomplete analysis of the cost of the service and compares "apples and oranges."

Of the 17 different non-instructional CO-SERS that we offer, there are 81 different services providing 2011 "instances" of service being provided during the audit time period. The Comptroller's audit looked at slightly more than 1% of the non-instructional programs that we offer.

The best example of an instance where the Comptroller's Office analysis provides an inaccurate view of cost-effectiveness is in the case of the Cortland School District's participation in our Food Service Management program. Prior to joining the service, the Cortland Enlarged City School District was incurring a deficit in their food service programs of approximately \$70,000

in 2008-09 and \$19,000 in 2009-10 that was reduced through the use of the service. In 2010-11, the service had a \$4,564 profit. The audit does not take this deficit into account and instead cites the difference in cost of just the salaries and benefits:

Cortland Enlarged City School District paid OCM BOCES \$84,046 for the food service management program in 2009-10. Cortland operated a comparable program in-house in 2008-09 at a cost of \$57,034. District officials told us that they joined the BOCES CoSer for 2009-10 to improve management of the program. After joining the CoSer, program costs rose by more than 30 percent.

Using only the salary and benefits of one employee as a comparison, the Comptroller's findings do not show the complete picture of cost to taxpayers. The cost was more for Cortland, before aid, because the service included additional staffing and resulted in the district moving from a significant deficit for cafeteria operations in 2008 to operating with a surplus, therefore saving the district money. Menu planning and purchasing food cooperatively, not only saves money but provides a better product for students.

A second example is the Substitute Calling Service that provides a 24/7 automated solution to ensuring that there is a substitute teacher available every time that a teacher is absent. While the costs for the five districts identified who began the service in 2007 or 2008 were slightly higher before aid, the service was significantly different providing 24 hour a day, seven day a week responses rather than a two hour a day service. What the audit does not refer to, however, is that the initial cost of the service included the equipment investment and in subsequent years, the cost was reduced from each year from 2008-09 resulting in a 19% reduction in costs per teacher.

The third category of service reviewed was the Cooperative Personnel service that provided a coordinating service for recruiting teachers through classified advertising, development of vacancy notices, coordination across districts of applications. Districts that participated paid a fee to be in the service that covered the cost of a staff person at BOCES to create and place the advertisements and coordinate the process. In addition, districts paid for the classified advertisements that were placed on behalf of the individual district. Since BOCES was coordinating the placement of advertisements from multiple school districts, the cost per column inch was less than school districts could receive by themselves. The Comptroller's audit compares costs between two years but does not compare the amount of advertising that was done each year to determine if the cost increase was due to purchasing more ads.

The final service that the Comptroller reviews is the Central Business Office service. We would suggest that the different costs are due to the provision of different services. We would also suggest that the system of checks and balances works well and that the two districts listed are examples of that. If a district finds that it can provide a service less expensively than BOCES, that they do that.

The goal of the Onondaga Cortland Madison BOCES is to offer high quality programs to school districts. We believe that there is significant evidence that this is done in a cost-effective manner before aid. We will continue to review our programs to ensure that they are provided to districts both effectively and cost-efficiently.

Thank you for the opportunity to provide comment on the draft. We would be happy to provide you with additional information, should you have questions.

Respectfully submitted,

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C: Board of Education
Deborah Ayers, Assistant Superintendent for Administration

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