



SENATE STANDING COMMITTEE ON EDUCATION

Testimony from Public Hearing on BOCES as a Model for Delivering Taxpayer Savings in Watertown, N.Y. on October 13, 2009

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PUBLIC HEARING

Senate Standing Committee on Education
Senator Suzi Oppenheimer – Chairperson
BOCES as a Model for Delivering Taxpayer Savings

Tuesday, October 13, 2009
Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of
Cooperative Educational Services
Watertown, NY

Testimony by Jack J. Boak, District Superintendent

Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of Cooperative Educational
Services

Good afternoon. My name is Jay Boak, District Superintendent of Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of Cooperative Educational Services. We serve eighteen (18) school districts across Northern New York comprised of 27,000 students. We are geographically the largest BOCES in New York State covering over 5,000 square miles from just north of the Thruway in Utica, New York to the Canadian border. We also serve some of the poorest families and children in New York. Prior to the expansion of the Fort Drum the unemployment rate in Lewis, Hamilton and Jefferson Counties was often equal to or greater than that of the

Bronx. Former Governor Spitzer traveled to Watertown to meet with a group of business and school leaders just prior to his election. At that meeting he referred to our region as the “Appalachia” of New York State. He was widely criticized for that comment in the popular press, but he was 100% correct. We serve some of the most needy and indigent children in our state.

With that as a background, cost efficiency and saving money is extremely important to the constituents we serve. I am sure that you’ve heard many favorable comments at both the Western Suffolk and Erie I BOCES regarding cooperative purchasing programs. We are no different. Last year sixty-three (63) school districts participated in the Cooperative Purchasing Program which was organized by the St. Lawrence-Lewis BOCES. During the 2008-09 school year this program saved our taxpayers over 10 million dollars in just the purchase of energy in the form of heating, fuel oil, diesel fuel, propane and natural gas. The cooperative purchase of electricity alone saved our districts and hence our taxpayers over \$300,000.

These collaborations extend beyond school district borders. Two of our districts now share vehicle maintenance and fueling facilities with county, towns and villages. We also collaborate on snow plowing and paving work with the county

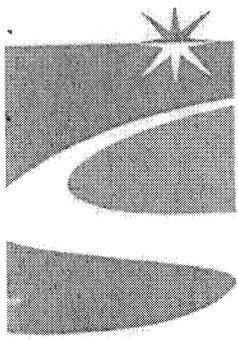
transportation department. Several years ago the eighteen districts within the Jefferson-Lewis BOCES along with Jefferson Community College created a self-insured health plan. The plan has enabled our districts to provide employees with excellent coverage and service at a cost well below those of private providers such as Blue Cross/Blue Shield.

The list of collaborations and cost savings is a long one and in all likelihood is very similar to those that you've heard at other hearings. After all, since its inception in 1948, BOCES has been a service organization. We have no power to tax. Our sole mission is to provide high quality services at a cost that our schools can afford. The main focus of our conversation this afternoon is to determine how we can extend this tradition of collaboration to realize even greater savings. Section §1950 of Education Law places limits on the types of services that can be shared in a way that affords districts the ability to receive aid. In upstate New York transportation is a significant expense to all districts because of our geography. The sharing of bus runs between districts could become much more cost effective if districts were able to receive aid on these collaborations. I believe Senator Oppenheimer has already proposed a bill that would make this possible. Two other areas that could ultimately help districts to realize greater savings are in the area of shared trash

removal and grounds keeping services. Under current regulations each district must solicit bids for trash removal where they could easily collaborate through a BOCES service and realize substantial savings. The same would be true of grounds keeping services. This would be particularly helpful in the summer months where each district must hire their own staff and purchase equipment to mow grass, trim trees and maintain athletic fields. This could be done much more efficiently by a centralized team of workers that could travel from district to district utilizing equipment that was purchased and maintained collaboratively.

These are just a few of the ideas that if put in place could save taxpayers money while improving the quality of service.

In closing, on behalf of the nine (9) members of the BOCES Board and our component school districts, thank you for taking the time to travel to Watertown and listening to our suggestions. We realize what a difficult budget year this will be and we stand ready to play whatever role we can in helping to reduce the burden on our local taxpayers.



St. Lawrence-Lewis
BOCES

Building Futures *
Creating Meaningful Lives

Board of Cooperative Educational Services

Thomas R. Burns
District Superintendent

Cooperative Purchasing

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Donald R. Haller
Cooperative Purchasing Agent

Cooperative Purchasing Annual Report for 2009/2010

Cooperative Purchasing participants for 2009/2010:

Adirondack Central
Alexandria Central
Au Sable Valley Central
Beaver River Central
Beekmantown Central
Belleville-Henderson Central
Brushton-Moira Central
Canton Central
Carthage Central School
Chateaugay Central
Chazy Union Free
Clifton-Fine Central
Colton-Pierrepont Central
Copenhagen Central
Crown Point Central
Edwards-Knox Central
Elizabethtown-Lewis Central
General Brown Central
Gouverneur Central
Hammond Central
Harrisville Central
Hermon-DeKalb Central
Heuvelton Central
Indian River Central

Keene Central
LaFargeville Central
Lake Placid Central
Lisbon Central
Long Lake Central
Lowville Academy & Central
Lyme Central
Madrid-Waddington Central
Malone Central
Massena Central
Moriah Central
Morristown Central
Northeastern Clinton Central
Northern Adirondack Central
Norwood-Norfolk Central
Ogdensburg City School
Parishville-Hopkinton Central
Peru Central
Plattsburgh City School
Potsdam Central
St. Lawrence Central
St. Regis Falls Central
Sackets Harbor Central

Salmon River Central
Saranac Central
Schroon Lake Central
South Jefferson Central
South Lewis Central
Thousand Islands Central
Ticonderoga Central
Town of Webb School
Tupper Lake Central
Watertown City School
Westport Central
Willsboro Central
Champlain Valley Ed. Center
Franklin/Essex BOCES
Jefferson/Lewis BOCES
St. Lawrence/Lewis BOCES

SMEC - July 2008 to June 2009 Savings by Group

Group	kWh	Cmdty	Mgmt	Total	Retail	Svgs	% Svgs
SMEC - Alexandria CSD	554,535	\$36,463.72	\$554.55	\$37,018.27	\$40,446.40	\$3,428.13	8.48%
SMEC - Beaver River CSD	1,357,745	\$90,311.93	\$1,357.73	\$91,669.66	\$99,381.02	\$7,711.36	7.76%
SMEC - Beekmantown CSD	2,680,060	\$158,899.07	\$2,680.06	\$161,579.13	\$167,889.00	\$6,309.87	3.76%
SMEC - Brasher Falls CSD	1,514,960	\$98,728.82	\$1,514.96	\$100,243.78	\$108,534.05	\$8,290.27	7.64%
SMEC - Brushton-Moira CSD	1,219,179	\$76,133.78	\$1,219.20	\$77,352.98	\$84,090.50	\$6,737.52	8.01%
SMEC - Canton CSD	1,886,105	\$123,056.26	\$1,886.11	\$124,942.37	\$135,732.74	\$10,790.37	7.95%
SMEC - Carthage CSD	1,561,800	\$104,799.81	\$1,561.80	\$106,361.61	\$115,885.98	\$9,524.37	8.22%
SMEC - CEWW BOCES	1,014,922	\$48,866.53	\$1,014.92	\$49,881.45	\$51,784.76	\$1,903.31	3.68%
SMEC - Chateaugay CSD	763,485	\$45,295.69	\$763.50	\$46,059.19	\$50,196.11	\$4,136.92	8.24%
SMEC - Chazy Central Rural School	862,624	\$51,666.98	\$862.62	\$52,529.60	\$57,236.95	\$4,707.35	8.22%
SMEC - Copenhagen CSD	623,777	\$42,484.67	\$623.76	\$43,108.43	\$46,477.36	\$3,368.93	7.25%
SMEC - Edwards-Knox CSD	914,800	\$60,809.26	\$914.80	\$61,724.06	\$66,760.28	\$5,036.22	7.54%
SMEC - Franklin-Essex-Ham BOCES	850,579	\$54,354.95	\$850.58	\$55,205.53	\$60,905.99	\$5,700.46	9.36%
SMEC - Frewsburg Central School	1,926,179	\$111,098.00	\$1,926.17	\$113,024.17	\$123,393.61	\$10,369.44	8.40%
SMEC - General Brown CSD	1,659,423	\$108,866.26	\$1,659.43	\$110,525.69	\$121,386.81	\$10,861.12	8.95%
SMEC - Gouverneur CSD	2,168,109	\$148,976.09	\$2,168.16	\$151,144.25	\$165,699.82	\$14,555.57	8.78%
SMEC - Harrisville CSD	669,280	\$44,446.21	\$669.28	\$45,115.49	\$48,904.02	\$3,788.53	7.75%
SMEC - Hermon-Dekalb CSD	649,394	\$42,480.98	\$649.40	\$43,130.38	\$46,548.39	\$3,418.01	7.34%
SMEC - Heuvelton Central School	964,231	\$63,155.38	\$964.25	\$64,119.63	\$69,275.00	\$5,155.37	7.44%
SMEC - Indian River CSD	5,121,520	\$342,727.27	\$5,121.52	\$347,848.79	\$375,867.65	\$28,018.86	7.45%
SMEC - Jefferson-Lewis BOCES	2,026,461	\$134,805.57	\$2,026.46	\$136,832.03	\$148,305.70	\$11,473.67	7.74%
SMEC - Lisbon CSD	802,104	\$51,577.74	\$802.14	\$52,379.88	\$56,653.26	\$4,273.38	7.54%
SMEC - Madrid-Waddington CSD	1,177,576	\$80,787.46	\$1,177.57	\$81,965.03	\$87,900.52	\$5,935.49	6.75%
SMEC - Malone CSD	3,147,645	\$193,578.14	\$3,147.69	\$196,725.83	\$217,895.89	\$21,170.06	9.72%
SMEC - Northern Adirondack CSD	1,760,701	\$103,747.10	\$1,760.71	\$105,507.81	\$113,692.53	\$8,184.72	7.20%
SMEC - Norwood-Norfolk CSD	1,508,290	\$103,882.40	\$1,508.30	\$105,390.70	\$112,632.34	\$7,241.64	6.43%
SMEC - Ogdensburg City SD	3,003,294	\$202,645.25	\$3,003.32	\$205,648.57	\$227,063.93	\$21,415.36	9.43%
SMEC - Parish-Hopkinton CSD	560,160	\$38,436.00	\$560.16	\$38,996.16	\$42,921.30	\$3,925.14	9.14%
SMEC - Potsdam CSD	1,913,113	\$125,522.90	\$1,913.16	\$127,436.06	\$141,515.09	\$14,079.03	9.95%
SMEC - Sackets Harbor CSD	539,700	\$35,272.46	\$539.70	\$35,812.16	\$39,005.36	\$3,193.20	8.19%
SMEC - Saint Regis Falls CSD	552,160	\$34,722.94	\$552.16	\$35,275.10	\$38,266.49	\$2,991.39	7.82%
SMEC - Salmon River CSD	2,974,108	\$188,792.62	\$2,974.15	\$191,766.77	\$204,246.15	\$12,479.38	6.11%
SMEC - Schroon Lake CSD	289,665	\$22,572.85	\$289.67	\$22,862.52	\$25,046.39	\$2,183.87	8.72%
SMEC - South Jefferson CSD	3,028,145	\$202,887.83	\$3,028.14	\$205,915.97	\$223,720.99	\$17,805.02	7.96%
SMEC - St. Lawrence/Lewis BOCES	1,728,638	\$117,596.93	\$1,728.68	\$119,325.61	\$131,345.50	\$12,019.89	9.15%
SMEC - Thousand Islands CSD	1,542,781	\$104,365.50	\$1,542.79	\$105,908.29	\$115,226.44	\$9,318.15	8.09%
SMEC - Village of Frewsburg	167,526	\$10,153.38	\$167.50	\$10,320.88	\$11,572.73	\$1,251.85	10.82%
SMEC - Willsboro CSD	602,260	\$35,551.20	\$602.26	\$36,153.46	\$39,401.29	\$3,247.83	8.24%
SMEC - Westport CSD	25,040	\$1,237.02	\$25.04	\$1,262.06	\$1,420.77	\$158.71	11.17%
Totals	56,312,074	\$3,641,756.95	\$56,312.40	\$3,698,069.35	\$4,014,229.11	\$316,159.76	7.88%



TESTIMONY

*BOCES as a Model
for Delivering Taxpayer Savings*

Senate Committee on Education

October 13, 2009

Good afternoon. My name is Thomas Burns, District Superintendent of the Sole Supervisory District in St. Lawrence and Lewis Counties. I greatly appreciate the opportunity to give testimony on Boards of Cooperative Educational Services – BOCES – on behalf of our BOCES and the 18 component school districts we serve.

The St. Lawrence-Lewis BOCES is comprised of many small, rural school districts, with a few exceptions. Our county has experienced sluggish economic growth for many years, so this recession was particularly devastating. We have seen the recent closure of General Motors in Massena, and massive cut-backs at ALCOA and other area industries. As you can imagine, this has intensified concerns over property taxes and school aid cuts, combined with a generation-long decline in student enrollment. In the 1976-77 school year, there were 27,110 students in this BOCES region. As of last year, 2008-2009, there were 16,626 students, a decrease of 10,484 students in 33 years. Of our 18 component school districts, seven (7) have enrollments at or below 500 students, and eleven (11) have enrollments below 1,000 (with two (2) districts just above the “bubble” at 1029 and 1069 students, respectively).

Compounding this steep decline in enrollment is our geography. St. Lawrence County, not including our “orphan” in Lewis County (Harrisville Central School District), is 2,822 square miles. It is the largest geographic county in New York State and one of the largest counties East of the Mississippi. This places a limitation on our efforts to consolidate services. Outright mergers in some cases are not possible given the distances.

However, this has not dampened the enthusiasm nor hindered the efforts of our local superintendents to share a considerable and impressive array of services, as well as, commit to researching more ways to do this in the future. Our superintendents have formed a sub-committee for “Consolidation, Shared Services, and Mergers” to study options throughout this and coming school years. The superintendents also conducted a Summer Workshop with Dr. Larry Kiley, Executive Director of the Rural Schools Association that focused on these issues with the intent of collecting data and assembling projections for all the districts. Armed with these projections, the districts can then begin to plan their futures.

BOCES has been a critical component of these past, shared successes, and can be the vehicle for ideas of implementation in the future. The BOCES districts currently share:

- Cooperative Purchasing
- Interscholastic Athletic Service
- Shared Business Office
- Comprehensive Title I Services
- S & MEC (Erie 1 BOCES) School and Municipalities Energy Cooperative
- Health & Safety Services (Cross-contract with Jefferson-Lewis-Herkimer-Hamilton-Oneida BOCES)
- DANC (Development Authority of the North Country – Broadband internet services for all school districts)
- Health Insurance and Workers' Compensation Consortiums including all districts
- Grants COSER
- EER (Labor Relations and Negotiations) – Will be negotiating for ten (10) districts this spring
- Data Analysis (WWSHE BOCES)
- Value-added Growth Model (Capital Region BOCES)

These services encompass a broad spectrum of “back-office” functions of schools, while only indirectly affecting instruction. As stated earlier, due to school district size and declining enrollments, it is getting more difficult for local school districts to provide specialized services. The districts increasingly look to BOCES to support their dwindling pupil enrollments, particularly when state aid decreases and federal monies expire in the spring of 2011.

On the instructional side, the BOCES provides CTE for the schools at three centers currently serving 1,029 students. New programs at the CTE Centers, such as Pre-Engineering, Allied Health, and specifically the St. Lawrence-Lewis STEM (Science, Technology, Engineering and Mathematics) partnership which centralizes the Board of Cooperative Education Services (BOCES) as a bridge between Clarkson University and local school districts, providing a much needed rural solution partnering students, teachers, Clarkson students and university faculty. The model incorporates the following program components:

- improving/sustaining mathematics and science achievement for all students, while
- increasing and sustaining interest in STEM disciplines and career opportunities,
- providing enrichment opportunities that incorporate hands-on project based activities to investigate real-world problems,
- enhancing pre-service and in-service teacher content knowledge and teaching strategies, and

- advancing the research understanding of effective rural education strategies and solutions.

The BOCES Special Education department provides services to all 18 districts. The services range from pre-school education, adaptive physical education, occupational and physical therapy, transition and extended-year services, specialized alternative programs, speech, language, audiological and visual services, counseling, and management and life-skills programs. These services are provided to the districts cost-efficiently through our team of eight (8) administrators, 17 clerical staff, 140 professionals, and 185 para-professionals. The districts rely on us for expertise, physical space, and aid to provide these services.

The School Improvement and Instructional Services division provides direct academic support that many small, rural schools cannot provide efficiently for themselves. BOCES provides shared teachers in hard to find disciplines – art, business, health, and physical education, among others.

The Commissioner has indicated that improving teacher preparation will be a major emphasis for SED. Research would certainly support the Commissioner that having excellent teachers in every classroom has the greatest impact on increasing student achievement. To that end, BOCES serves as the primary conduit for professional development in the region. Last year, BOCES provided over 900 area teachers with professional development opportunities at minimal cost within the region. Other examples of instructional efficiency include the Learning Resources Center and School Library System, which house countless materials in many formats that all districts can share and do not have to purchase. The best and most recent example of this service is the new Cooperative Music program through a cross-contract with Oneida-Herkimer-Madison BOCES. This program allows schools to forgo expensive sheet music purchases and utilize a vast collection of music—increasing the access of music to more schools and students at a reasonable per pupil cost that generates BOCES aid.

Earlier in my testimony I referred to the declining enrollments in our schools. I would be remiss not to mention the blight that accompanies this out flux of population – poverty. Researchers are just beginning to scratch the surface of how poverty impacts students and their learning. Every single school district in this BOCES has a Combined Wealth Ratio (CWR) that is below average. This means that all of our school districts are heavily dependent on state aid. In the current state and federal fiscal crisis, this does not bode well for the schools. The great equalizer is BOCES – the vehicle through which all districts, small and large, poor and wealthy, can fulfill their needs at per pupil costs while often generating some reserve through BOCES aid.

It is my prediction that in the next two years, districts will be forced to use existing fund balance. Enrollments will continue to decline, and staff cuts will need to be made. Academic programs will be lost unless we find new ways, and create new, more flexible capacities, to provide services. BOCES is a logical choice to fill the vacuum that will be created, with its centralized services and regional focus.

Keeping this in mind, please allow me to make some specific recommendations for change which would make BOCES more effective and increase district savings:

- Raise the cap on the share of salaries for BOCES service personnel for which schools can receive state aid. The cap of \$30,000 has not been adjusted in eighteen (18) years. This 1991 salary, when adjusted for inflation, would today be nearly \$47,000.
- Allow BOCES to use third party vendors for certain services (e.g. communications and technology).
- Remove statutory limitations on BOCES authority to provide some non-instructional services to schools. (Citation – Education Law §1950, General Municipal Law Article 5-G)
- Allow BOCES to provide services to local governments that are already being provided to schools.
- Schools may currently purchase services from BOCES outside their own region. The SED could focus more effort on the promotion of more cross-contracting of services. This would create more specialized centers, rather than duplicating these efforts in all or many BOCES (e.g. Health and Safety or Certification Services).
- Authorize the BOCES to establish Regional High Schools.
 - As stated earlier, our Superintendents are working on new ways to share, consolidate, or merge. Given our great distances and local school loyalties, regional high schools may provide a viable option for increasing opportunities for students while improving economies of scale
 - Other advantages to this approach:
 - Funding that would not undermine local schools
 - Enrollment between BOCES and sending schools is easily managed
 - BOCES could draw from larger student populations
- Restore the authority of the District Superintendent to act vigorously in regional education matters.
 - The 2003 and 2006 “Snapshots of the Superintendency” published by the New York State Council of School Superintendents indicated that 15% of Boards of Education are not “functional and effective” or focused on “student achievement” as perceived by their Superintendents. Such districts need to focus resources on student outcomes, and not waste any opportunities or taxpayer funds. Without a statutory role that is more

forceful, the District Superintendent cannot successfully intervene in these situations.

Conclusion:

I want to thank the committee for the opportunity to present testimony, and for its hard work on behalf of New Yorkers. In these economically challenging times, there is an opportunity for BOCES to be a critical component in a new educational system that more effectively uses its resources to streamline services and improve opportunities for students.

**STATEMENT OF JAMES KETRICK
SUPERINTENDENT OF SCHOOLS
INDIAN RIVER CENTRAL SCHOOL DISTRICT
HEARING OF THE SENATE COMMITTEE ON EDUCATION REGARDING
EXPANDING THE BOCES MODEL OF SHARING SERVICES
OCTOBER 13, 2009**

My name is James Kettrick, and I am the Superintendent of Schools for the Indian River Central School District in Philadelphia, New York. Our District is adjacent to Fort Drum and shares many of the characteristics of both a rural farming community and a suburban bedroom community.

Our District is unique because of its relationship with Fort Drum and the families of the 10th Mountain Division. Over the past eight years, the 10th Mountain Division has been the most deployed division in the United States Army, and this deployment activity has placed an enormous amount of stress on families. We have partnered with Fort Drum and the Department of Defense in many areas to provide the necessary structure to support the children in these families and to work toward the common goal of alleviating the stress they face.

As you can imagine, there are costs involved in effecting these activities, and I believe we have taken prudent action to provide the necessary services at a reasonable cost. One way we contain the cost of any program is through shared services where they make sense.

The BOCES is one source of those services, and we use these to the fullest extent. Our District makes use of a myriad of BOCES services, but even as a large consumer, we may not require the services of a full time equivalent in terms of personnel. That is the entire theory behind the BOCES, and it works. When we band together through the BOCES, all districts, large and small alike, share in the benefits of the services it provides.

At Indian River, we have taken the cooperative agreement a step further. In 1999 we began a long term relationship with the Town of Philadelphia when we entered into an intermunicipal agreement for shared transportation services. This agreement serves as a model of efficiencies and, over the intervening years, has been studied by the State of New York.

A brief look at the agreement reveals that the District provides both office and garage space to the Town of Philadelphia for its road fleet. The District bears the cost of maintaining and operating the facility. The Town is permitted to sublet the space to other entities, and has entered into agreements with Jefferson County and the NYS DOT. These three entities occupy space in our transportation facility.

In return, the Town pays “rent” in the form of services critical to the district’s operation. Specifically, the Town plows the network of roads on our campus; provides salt and sand for our fleet servicing our parking lots and sidewalks; maintains our parking areas on a periodic basis by re-surfacing them and lining them; installed culverts and clears drainage areas; provides a heavy

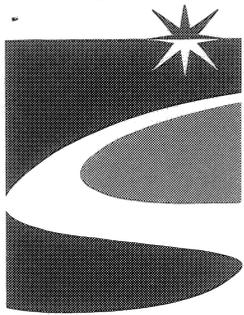
hauling capability for district owned items; uses its earth moving equipment to clear snow piles impeding operations; and other tasks which they can readily perform.

Since the “rent” is paid in services, no cash transaction takes place and the overall tax burden on the residents is maintained at a lower rate. In the absence of this agreement, the District would require heavier equipment to perform the tasks and the town would be required to construct a garage facility. Further, the town has access, as part of the sub-let agreement, to both county and state owned equipment, and this further reduces its costs.

Clearly, this agreement works, and it works well. Both the Town and District benefit, and the taxpayers benefit because of a reduction in the overall tax burden. I see no reason why similar arrangements cannot be extended to municipalities through the BOCES. In a later presentation, my District Business Manager will present some ideas and a framework for success in such efforts. I hope you find his information useful.

Thank you for coming to the North Country, and thank you for understanding that the BOCES has been and continues to be a model of cooperative effort between government entities. BOCES works. It’s that simple. Given that simplicity, why shouldn’t we share that success with others to the benefit of our taxpaying public?

Thank you.



**St. Lawrence-Lewis
BOCES**

*Building Futures *
Creating Meaningful Lives*

Board of Cooperative Educational Services

Thomas R. Burns
District Superintendent

BUSINESS OFFICE

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James Chadwick
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TESTIMONY

New York State Senate Committee on Education Future Delivery of Educational Services and the Necessary Changes in Uncertain Economic Times

October 13, 2009

Changes must take place for the continued delivery of the high standards demanded by our populous in this great State of New York. These uncertain economic times raise the awareness to those in education as well as the taxpayer funding the system. The future delivery of educational services will define how prepared our students will be in becoming the leaders of tomorrow. Now is the time for change, and continued efforts in maintaining the old economic and antiquated delivery system can't be sustained by the residents and taxpayers of our local, regional and state governments. The future generations must be armed with a high quality and well-rounded education that will help them deal with what they encounter as they become the workforce of tomorrow.

I am James Chadwick, Director of Financial Affairs of the St. Lawrence-Lewis Board of Cooperative Educational Services. I thank you for giving me this opportunity to address the Senate Committee on Education and allowing me to share views that I have developed from my prospective as I've worked in education the past thirty-one years. "Times are a changing, and we need to change with the times". Delivering public services cost-effectively

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is the name of the game while raising student achievement economically is pushing to the forefront with the mounting worries over rising property taxes and potential state aid cuts.

Many jobs are leaving the state and with it go the population following the employment opportunities and this trend must cease. The tax structure must change for industry and services to find it attractive again to do business in New York State. We must be “business friendly” or the past twenty years of enrollment declines will continue. This continuation will continually weaken the economic integrity too of this great state. Education is one of the largest components of the state budget and we will be forced to get “leaner” and do more with less. The time to be proactive is now.

You presently have a mechanism already established within the educational structure that can be tapped to a greater extent for the delivery of shared programming in education, as well as some other shared municipal endeavors. Continued support and enhancement of the Boards of Cooperative Educational Services (BOCES) are organized now and are operating under the premise of shared programming. Allowing a greater flexibility and latitude in the offering of BOCES services would be needed and can be legislated. Promoting and supporting opportunities for expanded shared services and cooperative projects with municipalities, school districts and BOCES is the route to proceed for cost effectiveness and leadership for tomorrow. As continued statewide funding of education to ensure adequacy, efficiency and equity among all districts through foundation-based formulas becomes strained, both aided and unaided programming availability through BOCES can be cost-effective. The BOCES specialize in the sharing aspects and can share its expertise with the component schools, and interested municipalities. BOCES currently plays a critical role in assisting districts, particularly smaller districts, achieve programming economically that they otherwise, could not afford.

My BOCES has experienced enrollment gains, even with a declining school enrollment, in the career and technical programming areas and teaches valuable work experiences, yet better than seventy-five percent of our students go on to college. We must be doing something right! Expanding the programming has drawn the interest of all student groups. Allied Health and Pre-Engineering attract the top students and challenges them to excel. An individual district may not have the staff expertise or an adequate enrollment to offer a program other than through shared services. Regionally, high schooling is an avenue that needs to be explored. Geographic issues have to be worked out, staffing and transportation can all be addressed effectively with minor legislative assistance. The state can't afford to fund over seven hundred schools at today's costs without giving on the educational standards, which isn't popular with the constituents and stakeholders. The Lundine

Commission on Local Government Efficiency recommended school district leaders should form committees in each region to evaluate restructuring and sharing opportunities. In my region, my BOCES did an efficiency study of regional high schools back in the mid-90s and the program had merit then and it should be reviewed and updated for a trial implementation. This would assure students access to comprehensive learning opportunities greater than what the home district might be able to offer. The local school retains its identity and can still be the focal point in the community with its sports teams and elementary schools. At the same time, the state standards and assessments make it easier to ensure and monitor that we are teaching students the skills and information they will need to possess in their futures.

Programs we currently share are interscholastic athletic services, school food management, business office operations, cooperative purchasing, health insurance consortiums, workers compensation consortiums and health and safety services to name but a few. I oversee expanding programming that is being developed in a shared capacity without aid. Programs we are currently adding are a shared elevator maintenance contract, expansion of the solid waste disposal program and joining the Erie 1 Energy Cooperative for electricity, which has over a hundred municipalities and school districts joining together to buy energy at group rates. Similarly, natural gas is purchased by those eligible at the well. Being innovative and cost-effective at the same time is one of our missions. Proposals have been jointly submitted by the BOCES and Component Districts for External Auditing, Internal Auditing and GASB 45 Actuary Services helping all to save in cost and efficiencies. Technologies and fiber connections have been developed with the sharing concept and BOCES in the forefront.

Removal of some statutory limits by Education Law or Commissioner's Regulation will be necessary or changed so BOCES can provide some non-instructional services to school districts that they are now limited in doing. It is necessary to continue to support and enhance BOCES by allowing greater flexibility and latitude in the offering of BOCES services. Allowing BOCES to promote greater flexibility would encourage aspiring educators to become school district leaders. An emphasis should be made to aggressively use the BOCES in playing a leadership role in promoting school improvement.

In conclusion, thank you again for this opportunity to present testimony. In this current economical downturn, utilizing what is established, and expanding the role of BOCES would have the greatest effect in establishing cost-efficiencies while maintaining educational standards. The BOCES staff is already skilled at sharing of services, why recreate the wheel. Utilizing BOCES to its potential could assist districts and other local municipalities statewide. Money does not exist to create new systems and why would we exacerbate a deteriorating

financial strain when the potential already exists and can show real savings to the state and its taxpayers.

**STATEMENT OF JAMES R. KOCH
SCHOOL DISTRICT BUSINESS MANAGER
INDIAN RIVER CENTRAL SCHOOL DISTRICT
HEARING OF THE SENATE COMMITTEE ON EDUCATION REGARDING
EXPANDING THE BOCES MODEL OF SHARING SERVICES
OCTOBER 13, 2009**

My name is James Koch and I serve as the District Business Manager for the Indian River Central School District in Philadelphia, New York.

Thank you for this opportunity to come before this committee to discuss the role of BOCES as a model of sharing services with other organizations. This is a timely topic in light of the financial crisis we, as a nation, face today. If we don't do something to control the costs of operating our governments, we will continue to be criticized as only being able to tax the citizen and burden our future generations with an ever increasing government debt load.

I come before you today with experience grounded in our district's cooperative agreement with the Town of Philadelphia. Previously, Mr. Kettrick addressed that experience so I will not belabor the point here, but we have seen a number of efficiencies that have benefited the taxpayers of our district, and I believe that this experience can be expanded in a number of ways.

To begin, permit me to lay out a few basics. My first concern revolves around our "core competencies" and a desire not to expand significantly beyond these. In defining core competencies, I look to determine what an organization does expertly. Many believe that the education business is only about delivering a specific lesson and achieving the desired learning objectives for that lesson. Thus, delivering education is seen as our core competency. But if that is all you see, you miss a lot of opportunity.

We have a wide skill set in areas which include human resources management, benefits management, purchasing, payroll, transportation, building maintenance, grounds maintenance, food service, technology, communications and even nursing skills. We create centers for a learning community in our buildings. And we offer venues for school events ranging from first class theatre productions to sporting events.

On the other hand, our local governments are focused on providing services for their communities. These include recreation, public safety, maintenance of the infrastructure, library resources, and a host of services performed by the town clerk.

The key to making an intermunicipal agreement work to the benefit of the taxpayer is finding areas where there is overlap in the core competencies and ceding the responsibility for that area to the other party. Frankly, I must tell you, this is probably the most difficult step to take, for when you give up responsibility for something that is, by tradition, your task, you also give up both control and power over affecting the outcome. The problem is that the public will still

expect the same level of responsiveness to their concerns, so giving up control is difficult to imagine for many.

Still, our district has done so, and we have done so effectively. Frankly, if our roads are not plowed on a particularly snowy morning, opening school can be difficult. But we have ceded this to the town under our agreement. We have learned to live with the fact that it is not under our control, and the town has taken up the responsibility for us. We have, over time, developed and refined communications channels to be certain that the job is done to standard, and the end result is that the town, county, and state have a modern facility for their local and regional roads crews, and we get labor provided in return for providing the service. The value of this exceeds \$50,000 annually, and that is money the taxpayer doesn't have to pay out.

By capitalizing on each other's core competencies, we can reduce the burden on the taxpayer and still get the job done well. The BOCES has done this for years. We have shared services and shared scarce resources, and we will continue to do so into the future. It stands to reason that municipalities can piggyback on this as well. By linking together through a shared telecommunications system, we should be able to lower costs for all parties. Recently we have lowered our own costs through a new communications system. If a town were to piggyback on that, they would enjoy similar savings.

Similarly, the BOCES performs a myriad of technology functions. Why can't we permit municipalities to join in at a fair price. We have the core competency, and this may save them costly mistakes in systems development or the cost of a consultant. Other areas we may explore are purchasing, payroll, shared offices (where it makes sense), labor relations and management, and maintenance. This last category could be a two way street. In Massachusetts, where my daughters live, the school budget focuses on education, while the infrastructure is carried by the town as their responsibility. I'm not advocating that particular "all-in" approach, but there is merit to the idea of shared services.

I would caution at this point, however, that this should be entered into carefully. If the BOCES needs to take on extra personnel to accomplish these tasks, and the towns don't shed personnel, then the system becomes more expensive instead of less expensive. That is, decidedly, not the way this should go. But, if we can assist a municipality in streamlining its operation and still providing the requisite services, we should, by all means, look seriously at these operations.

In closing, I would like to again thank you for inviting us to speak today. The BOCES is expert in sharing services. We couldn't do the job today were it not for that expertise. So perhaps, in the future, we can expand that role and offer it to other governments as well. There are administrative and logistical tasks to be accomplished, and the BOCES has core competencies in many of these tasks. We can make a difference for our taxpayers by working together, and the BOCES has the expertise to be at the center of that process.

Thank you.



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KEVIN S. CASEY

Executive Director

**Testimony to the Senate Standing Committee on Education
Regarding
The Utilization of BOCES to Achieve Taxpayer Savings**

**Presented by James Viola, Director of Government Relations
School Administrators Association of New York State (SAANYS)
October 13, 2009**

Good afternoon Senator Oppenheimer and honorable members of the New York State Senate Standing Committee on Education. My name is James Viola and I serve as the Director of Government Relations for the School Administrators Association of New York State (SAANYS). SAANYS represents more than 7,000 school administrators at the preschool, elementary, middle and high school levels. SAANYS is chartered by the New York State Education Department, and for more than 30 years, has worked closely with state and national agencies and leaders, to demonstrate and promote leadership and action for the improvement of educational services in a fiscally responsible manner.

SAANYS has long advocated for the expanded use of the BOCES model to provide shared services, both to schools (including the large cities) and to municipalities. BOCES has demonstrated leadership in achieving economy and efficiency in the delivery of educational, administrative and managerial services.

The extension of the BOCES model for the provision of services to large city school districts, such as the Rochester and Syracuse City School Districts, will promote equity in regard to fiscal support and quality of services. For both educational and "back office" services, BOCES should be an added optional strategy to meet educational needs.

The extent and types of services to be made available to municipalities will likely be different from BOCES-to-BOCES, depending on local needs, just as is the case for school district services. Many BOCES are readily positioned to provide municipality services. For example, Questar III BOCES has developed internal audit services that have been demonstrated to save participating school districts 50 percent of the fees they would otherwise have to pay. This same BOCES also developed a service to support school district compliance with government accounting standards which has also been effective in saving thousands of dollars for participating school districts and taxpayers. Making such services available to municipalities may be expected to result not only in significant direct cost savings, but will also yield indirect savings by avoiding the duplicative and redundant development of such services, controls and procedures on a municipality-by-municipality basis. The BOCES model may be used for cooperative purchasing including warehousing, vehicles, health insurance, energy, efficiency studies, and facilities/custodial services.

In regard to telecommunications, including voice, data and Internet services, Nassau BOCES has developed technology systems, that when used collaboratively, will annually save taxpayers thousands of dollars. Although Nassau's system was primarily developed for school districts, it appears that many applications have much broader applicability including data back-up and storage, technical support, network monitoring, surveillance and security, environmental monitoring, wireless broadband and video on demand - - - all of which are expected to result in significant cost reductions.

On the behalf of SAANY's 7,000 members, I commend you for holding these hearings and thank you very much for the opportunity to address you and present testimony today. SAANYS remains ready and available to provide any follow-up information you may require. Thank you.

Senator Oppenheimer and other Senators:

Thank you for convening this hearing on BOCES as a model for delivering taxpayer savings, and for this opportunity to testify on behalf of New York's school superintendents.

I am Robert Lowry, Deputy Director of the New York State Council of School Superintendents.

Our members must do what you must do as well – construct budgets that balance needs with resources. They must also take the statewide policies that you and the Board of Regents adopt and make them work in all the disparate communities that you serve.

Our members are leaders who make schools work.

Specific Legislative Actions

My colleague Michele Handzel testified at your hearing in Western New York. I will not cover all the same ground as she did, but will say that we are grateful for the Chair's legislative proposals to strengthen BOCES:

- By requiring the State Education Department to formalize its procedures and criteria for evaluating proposals from BOCES for cooperative services;
- By expanding the authority of BOCES to enter into contracts with other entities;
- By allowing BOCES to enter building leases for periods of more than 10 years;
- By removing the cap on BOCES district superintendent salaries;
- By clarifying the authority of BOCES to provide claims auditing and internal auditing services;
- By charging each BOCES with convening regional committees to explore opportunities and strategies for district consolidation and new shared service efforts; and
- By eliminating the cap on BOCES superintendent salaries.

In these hearings you have stressed BOCES as a vehicle for taxpayer savings, an appropriate and timely goal. These proposals are essential first steps toward achieving this goal – and others that I will describe in a moment.

These proposals should be complemented by administrative action, if possible, or by legislative, action, if necessary, to clarify and streamline the capacity of BOCES to offer non-aided cooperative services to schools and to local governments.

We also support the BOCES' efforts to build their data collection and program evaluation capacity in so that their contributions to cost effectiveness can be better assessed both by school officials and policymakers.

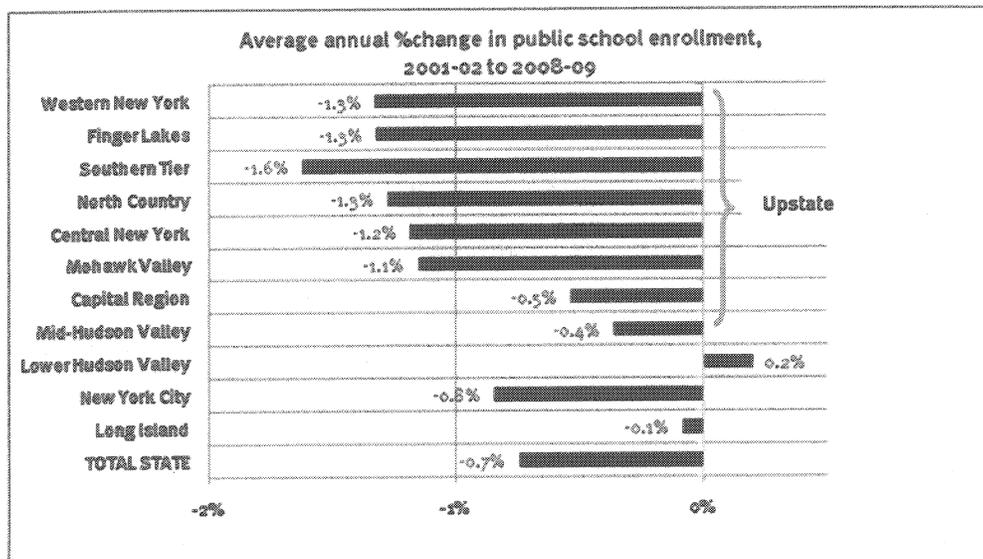
Taxpayer Savings – and Longer-term Needs

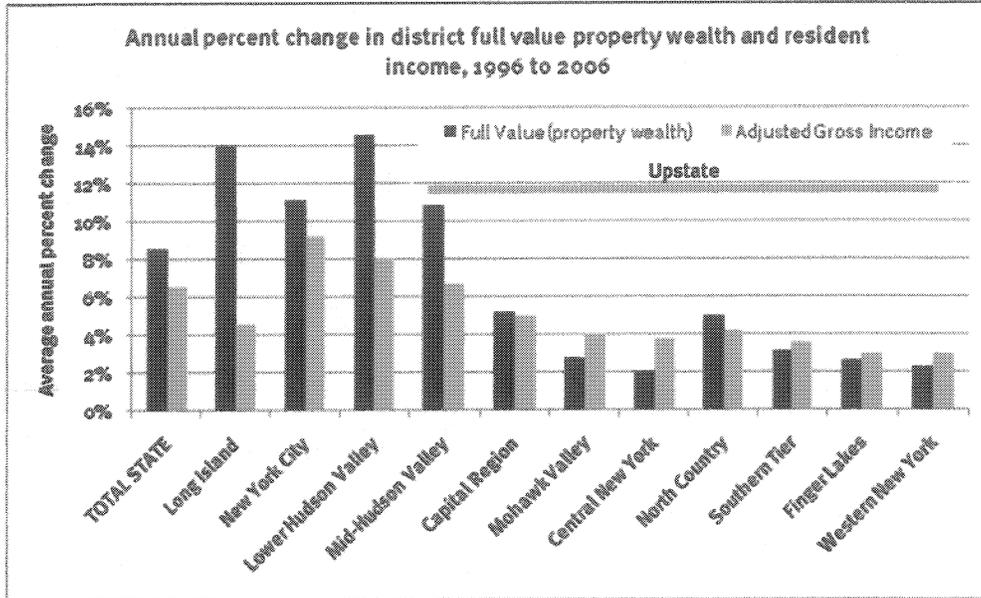
I want to make two broader points.

First, in my encounters with school superintendents throughout our state, I'm often impressed by the intensity of their efforts in exploring opportunities for functional consolidation through shared services, and actual consolidation – potentially merging the districts they lead with a neighbor.

Throughout large parts of upstate New York, I sense this urgency is animated by longer term demographic trends, even more than by immediate cost reduction goals. School leaders in these areas recognize that regional strategies are imperative to ensuring the students and communities they serve will continue to have viable school systems.

Over the past seven years, all the upstate regions away from the Hudson River have experienced enrollment losses averaging over 1 percent per year – basically everywhere north and west of the Capital District. These are also regions which have suffered the slowest growth in property values and resident incomes – and they were poorer to begin with. In high need rural communities, the enrollment declines have been steeper, averaging 1.7 percent a year.





In some communities, superintendents are well ahead of their residents, pushing them to consider consolidation and to recognize the long-term threats to the viability of their school systems.

In one Western New York community, a superintendent recently explained to residents, “Centralization [i.e., consolidation] will amount to change.” But he added that their district was changing already due to enrollment losses. He concluded, “Change can either be forced or we can take some control over it on behalf of our students and our community.”

Most merger efforts are not completed however, often because of the reluctance of residents. Sometimes there are also insurmountable practical obstacles. Student travel distances are a common complication.

Regional consolidation of district “overhead functions” can achieve some savings for taxpayers, without engaging their worries over loss of community identity and without requiring longer bus trips for students.

Eventually, however, enrollment losses will jeopardize the academic viability of some school systems, starting in high school and middle school, where instruction is more compartmentalized. With only a handful of students available for a class, a district may find it impractical to offer physics, for example.

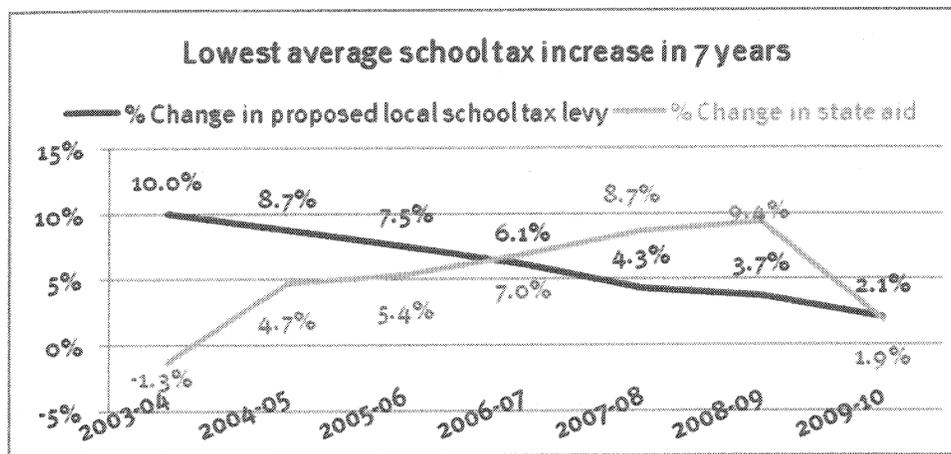
Eventually, the state will need to provide more mechanisms to ensure these communities can provide appropriate secondary level learning opportunities for all their students. Enabling BOCES to operate regional high schools should be one option. This would require specifically authorizing BOCES to do so.

Mounting Financial Challenges

My second general point is that, like it or not, we are on the brink of dramatic change in education in New York State and the nation. This change is being driven by simultaneous and accumulating financial pressures, as well as demands that we accelerate our progress in raising student achievement.

BOCES should play a lead role in helping schools meet both sets of challenges. Their contribution would be greatest for the poorest communities, which usually have the most limited local capacity.

This past May, school district leaders presented voters with budgets that proposed the lowest average tax increase in seven years, despite the least favorable state aid in six years.



School leaders were motivated by the practical consideration of assembling budgets that could gain voter approval, and by personal concern over the financial worries of their residents.

The proposals they offered won support from voters at the highest rate on record – over 97 percent.

We are grateful for their support and yours, and for the help from Washington as stimulus aid. Without it, we know our choices at the local level would have been much worse.

At one point, we estimated that schools outside the Big 5 Cities would need to eliminate nearly 8,000 jobs. The state budget and federal stimulus aid cut that figure sharply.

Yet when we asked how superintendents were able to achieve such low average tax increases with lower than typical state aid, we learned that many districts still found it necessary to cut staff. Also, they were helped this year by a decline in their pension contribution rates. Looking ahead, those rates are expected to surge upward.

But whatever strains this year's budget development demanded, we expect the choices for school leaders will become harder and harder in the years ahead.

That was the overwhelming consensus when we asked superintendents how difficult it would be next spring for them to replicate this year's low tax increases if presented with another year of flat Foundation Aid.

Looking a year further out, to 2011-12, fiscal prospects become drastically more alarming, for both the state and the schools.

In July, the Governor's Budget Division forecast a state deficit of \$4.6 billion next year, followed by a jump to over \$13 billion in 2011-12. We expect both figures to climb when the Budget Division releases its mid-year report later this month.

We have to assume large future deficits will create more pressure for austerity in state aid to schools.

Part of the climb in projected deficits arises from the anticipated end of state tax increases enacted last spring and of federal stimulus aid. Part is also due to a projected surge in pension contribution rates. This will challenge schools as well.

Comptroller DiNapoli has warned that employer contribution rates for the State and Local Employees Retirement System could triple by 2015.

Fewer than a third of school employees are in ERS; most are in the Teachers Retirement System. TRS has not yet released rate estimates, but system officials have warned of "significant" increases to come.

Here is a rule of thumb for understanding pension cost pressures: Pension contributions are calculated as a percentage of payroll. Since payroll typically accounts for about 50 percent of total school spending, a 4 percentage point increase in contribution rates by itself would drive up total spending by 2 percent – assuming districts could freeze every other expenditure.

So we face the prospect of continuing austerity in state aid, surging costs in at least one major expense category, and continued pressure to spare homeowners and businesses from burdensome property tax increases.

Approximately 10 percent of superintendents have been retiring each year for the last five years. That means that most superintendents were not on the job during the last recession and state budget crisis not so long ago, in 2001 through 2003.

This is one more reason we need to build up the capacity of BOCES to support local school leaders. Making more aggressive use of BOCES alone will not be enough to balance school budgets. But it will better equip district officials to lead their communities through the tough choices they will face.

Accelerating Pressure for Academic Progress

At the same time, we sense a mounting insistence that schools accelerate progress in raising achievement.

This pressure would exist in any event – and properly so – but it is being brought into focus by efforts of the Obama Administration, particularly with its “Race to the Top” competition, promising to allocate \$4.35 billion to a handful of states for systemic reform initiatives.

The Administration prioritizes raising standards to assure students leave school prepared for work, college, or both; improving assessments, so that we have tests worth teaching to; expanding data systems to support accountability; strengthening teaching and school leadership; and hastening the “turn-around” of low-performing schools.

We might quarrel with some of the specifics of the Administration’s agenda, and question whether it fully grasps the dire financial challenges that school and states are managing. But its overall priorities in education are on target, as well as its insistence that the nation must improve education now to help secure prosperity in the long-term, even as we wrestle to achieve economic recovery in the near term.

Our new Education Commissioner, David Steiner, has identified another challenge for schools. In his first appearance as Commissioner-Elect, Dr. Steiner said,

...as we work to close the achievement gaps and raise educational standards for all our children, we’re going to have to do some re-imagining about learning for the 21st century... Much of our instruction still looks the way it did a century ago. There are certainly some important truths about good teaching, good schools, that do not change, but we have an extraordinary opportunity to harness, with our teachers, the best of our technologies ... to help engage children much more effectively in their learning, to excite their energies, and, as a whole, to decrease what is increasingly a chasm between what the rest of their lives look like and what the school experience feels like.

So the state should be looking to empower BOCES as regional resources and leaders in school improvement, as well. One concrete step would be to make BOCES New York’s primary providers of support services for schools outside of New York City deemed in need of improvement. This is a function all states are required to put in place somewhere under the federal No Child Left Behind Act.

Conclusion

We might wish to defer taking on these demands to accelerate academic progress until a friendlier fiscal climate approaches. But that is not a choice open to us now.

What we have said in reference to past threats of mid-year school aid cuts actually applies to schools at all times:

- *Schools do not have the luxury of choosing to serve fewer customers, or of taking more time to process transactions.*
- *Schools must educate every child who shows up to learn, every day, and they must do so in a 180-day calendar that paces out instruction every year, year after year, for 13 grades.*

Because children cannot wait for their schooling to proceed, we cannot wait to step up our progress in improving outcomes for every one of them.

So we commend your consideration of specific steps to enable BOCES to achieve more savings for taxpayers. We believe the state should go even further, acting purposefully to empower BOCES and their superintendents to lead our schools through the turbulent transitions we will all face in the years ahead.

For all these reasons, it is essential that state leaders “unleash the potential of BOCES.” We thank you and applaud you for recognizing and advancing that goal, by convening these hearings.



NYAPT

NEW YORK ASSOCIATION FOR PUPIL TRANSPORTATION

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Our future is riding with us!

**STATEMENT OF THE NEW YORK ASSOCIATION FOR PUPIL TRANSPORTATION
HEARING OF THE SENATE COMMITTEE ON EDUCATION RE:
BOCES AS A MODEL FOR DELIVERING TAXPAYER SAVINGS**

OCTOBER 2, 2009

My name is Peter Mannella and I serve as the Executive Director of the New York Association for Pupil Transportation.

Thank you for this opportunity to come before this Committee to discuss the role of BOCES in the delivery of school transportation services for our students with a special emphasis on delivering savings to our taxpayers. This topic is timely and is part of a vital conversation in which we must all engage if we are to survive this financial crisis we face.

WHO ARE WE?

The New York Association for Pupil Transportation (NYAPT) is a not-for-profit membership organization comprised of some 600 women and men who are dedicated to the safe and efficient transportation of more than 2.3 million school children in our state. These professionals have dedicated their lives to the incredible and exemplary school bus safety record that has been established in our state over the years.

Our members are committed to on-going, rigorous professional development, proactive advocacy, research and preparation to ensure excellence in the school transportation enterprise. (Please visit our website www.nyapt.org for information about our members and our work.)

THE PROBLEM FROM OUR PERSPECTIVE

Our state faces significant financial obstacles that are challenging our ability to provide many services, most particularly the education of our children. These challenges require us to perform our responsibilities in smarter, more efficient ways. It is important that we learn from this situation and enable our education enterprise to grow and thrive on behalf of our children.

The members of NYAPT fully subscribe to the idea that school transportation is an investment by taxpayers that must be managed smartly and efficiently. We understand that school transportation is no less subject to cost-reduction and management measures than any other school service or discipline. But we also believe that school transportation should not be subject to those efforts **more** than other disciplines or services.

We believe that there are ways in which transportation services might be rendered more efficient through shared services between districts, shared maintenance facilities or services between

districts and municipalities, shared services for out-of-district special education transportation, joint training programs and cooperative purchasing arrangements among school districts/municipalities.

We believe the state needs to look at those laws and regulations or procedural requirements that stand in the way of progress on these fronts and begin to provide incentives for such arrangements. They make sense; therefore they will occur if they are fostered and facilitated.

But let this be clear: school transportation managers have been required to constrain costs and minimize routes and expenses for many years. We work hard each year to optimize our routing through computer-based routing software and drive our routes to look for ways to reduce costs and time on the road. This is nothing new for transportation professionals.

However, we are concerned about the kinds of proposals that have surfaced with specific regard to school transportation services, particularly those proposals that center on top-down consolidation or regionalization of those transportation services. Accordingly, in recent months, we have had conversations with our members and with others in the education arena. We have made presentations to state commissions and have met with others in the education community. We have shared communication with the Board of Regents and with staff at the Education Department. We have made our thoughts known to the Executive and to the State's Budget Division.

Our message has been the same: we do not object to working with proposals to coordinate or consolidate. But we do object to a wholesale "one size fits all" approach that, without a reasonable amount of study and cost analysis, would attempt to consolidate or regionalize on the basis of no facts and no cost and impact estimates. We do believe that there are answers but none will be easily found. Accordingly we cannot subscribe to the unsubstantiated notion that cost savings in school transportation will be derived by requiring those services to be conducted on a regional or consolidated basis.

When it comes to transportation services, there are many factors to be considered that are not in play when one considers other so-called "back office" operations like purchasing, contracting or accounting and legal services. School transportation is *unique* in that it involves the moving of our children to multiple destinations using a variety of routes and encountering all sorts of challenges along the way. Our members transport 2.3 million children every day from their homes to school buildings in nearly 700 school districts in the state. Those children ride on 50,000 state-of-the-art school buses driven by some 50,000 well-trained and safety-conscious school bus drivers. Of necessity, school transportation services are reflective of the culture of a community and they often change from district to district in accordance with the needs and priorities of that individual district's parents and taxpayers.

Any potential solutions under consideration must be able to address those needs and priorities or be susceptible to failure and the disdain of taxpayers. In the case of ensuring the safety of our children, we don't have the option of experimenting for a few weeks or months to see if it works; *we had better be sure it works first time, every time.*

THE VALUE OF SCHOOL TRANSPORTATION SERVICES

The yellow school bus adds value to the school day and the community at several levels – any of which could be affected by efforts to consolidate or coordinate services from the top.

First of all, we believe that the school bus ride is actually the first class of the day. It is on the yellow school bus that more than 2.3 million children have their first contact with their school system each day. It is important that that bus ride be of the highest quality, safety and efficiency for all involved.

Second, the yellow school bus provides an economical and environmentally sound approach to moving over 2.3 million children from home to school and back again each day of the school year. Riding on the yellow school bus averts the need for the parents of those children to drive their personal vehicles to school in the morning and the afternoon, adding to traffic at the school entrance and adding to the pollution caused by their vehicles. The yellow school bus is the educational version of public mass transit.

Third, the yellow school bus provides access to education for all children. Recent studies about attendance and performance in school suggest that the absence of a school bus results in increased truancy and absences from school, which in turn results in decreased performance and academic success.

Fourth, the availability of the school bus means that moms and dads are able to ensure that their children get to school on time and that they can get to their places of employment on time as well. The absence of the school bus can prove to be an economic detriment to those same parents.

Lastly, and most important, academic research has determined that the school bus is the absolute safest means to transport our children. Bar none. This research shows that a child is 430 times more likely to be injured or killed in a parent's vehicle or a friend's vehicle or on foot or on a bicycle than when riding in a school bus. It does not get more compelling than that.

LOCAL VS. REGIONAL DELIVERY SYSTEMS

Over the past year or so, our profession has been reacting to commission reports and Regents proposals that have focused almost exclusively on the idea of consolidating or 'regionalizing' school transportation services. We are pleased at this opportunity to share with the Committee several perspectives on school transportation efficiency in the context of this hearing related to the utilization of BOCES for school services.

Many of the proposals that have emanated from several studies and reports in recent years suggest that school transportation can be more effectively delivered through a consolidated approach with BOCES in the role of coordinating those services. Moreover, some of the proposals are based on the suggestion that partially filled school buses are indicative of waste and duplication in the transportation system. The loading and routing of school buses has become a more precise exercise in recent years due to the onset of computer-based routing software that encourages efficiencies in routes and schedules. Transportation managers are constantly re-configuring their routes to accommodate more children with more diverse needs and schedules. These very

sophisticated systems that often include GPS for moment-to-moment route management have greatly streamlined transportation services. The charge that the system is inefficient is inappropriate and the solution of consolidating transportation to avoid perceived inefficiencies is inappropriate as well without detailed analysis of the cost and operational implications of such a change. We hope to discuss these implications below. Our intent is not to shut down discussions about consolidation or increasing efficiency. Rather, we want there to be an intelligent and research-based review that will lead to well-considered policy options that are good for our children and our taxpayers.

While this committee and others are looking at ways to more effectively utilize BOCES services, we would offer that such services historically have been available to school districts to accomplish objectives that were not attainable individually. If the state is looking at ways to engage BOCES, that same measure must hold true: BOCES services should not be mandated but should be made accessible on a flexible, cost efficient basis to address local priorities and needs.

As those services are provided, the Senate and this committee are urged to consider several factors that affect the use of BOCES or that might suggest other approaches to cost containment and resource optimization

PRICE OF SERVICES

It often has been suggested by commissions and in other forums that resources could be saved or expenses reduced by consolidating transportation and other services through the BOCES or other regional entities. While we do not disagree that some school transportation operations might become more efficient with BOCES coordination, we do not believe it is a formula that works effectively in all situations or locations in the state.

More to the point of costs, our members in the Capital region and in Suffolk County share episodes where the use of BOCES to deliver school transportation services has actually cost their school district more money than other options. BOCES operations increase the base costs of providing transportation through their ability (requirement?) to charge an administrative fee on top of the direct cost of the transportation. In an era when private contractors are being held to no increase for inflation (because of the contractual increases statutorily linked to the CPI which is at or below zero), it is inexplicable that a BOCES should charge more than the private contractor for services.

There is no financial incentive for a district to utilize the services of a BOCES if the costs are prohibitively high. For example, one Capital area school district found that it could transport a child to a Rochester school at half the cost by cooperating with another school rather than contracting with BOCES. This scenario plays out in other cases elsewhere in the state as well. Accordingly, we propose that – if regional systems are advanced -- the fee structure for BOCES delivery of such services, similar to the CPI concept, should be reviewed to ensure economies in the system as well. Such measures would help to make the utilization of BOCES for these and other services more competitive and cost effective.

FACTORS TO CONSIDER

We offer several *reality-based* situations or factors that our members have raised with us that should be given consideration in any plan to consolidate or regionalize school transportation. Again, the intent is not to object or reject the idea of consolidation but to be realistic in assessing the applicability of consolidation in all settings.

Geography:

There are many places in the state where it is just plain impractical to suggest that reasonable bus routes could be assembled for larger geographic areas. These include communities separated by mountains such as in the Catskills or Adirondacks. It also includes areas separated or connected by major bridges or interstates which pose traffic and movement obstacles. Moreover, it would be impractical to suggest that routes could be effectively managed in larger districts with larger distances between schools and homes in high traffic communities. These are real concerns that will affect the length of the ride for our children, the conditions of that ride, effects on equipment and related concerns.

Geo-Politics:

In order to make a system work effectively, it will often be necessary to incorporate a small city school district within a regional area. These districts are governed in different ways and are not required, for instance, to transport students to schools outside their geographic boundaries. How will this be accommodated if the area is regionalized?

Moreover, district priorities reflect the priorities and needs of the citizens and taxpayers who live in and support the school districts with their tax dollars and votes. The further away we take transportation services from those invested citizens, the more likely we are to encounter problems and criticisms.

Number of School Facilities:

The Legislature must realize that there is no potential for reducing costs in any significant way if there is no change in the number of school districts or school buildings. Even a regionalized transportation system will still need to deliver a set number of children to a set number of school buildings. The number of students and the number of destinations determines the overall cost of the transportation service---it is not determined by how many depots or bus yards are involved.

That is to say: regardless of whether there are fewer transportation operations in school districts, the number of building destinations will always determine the cost of the transportation. Without a change in the number of district or buildings, the costs of transportation can be reduced or moderated only slightly.

To this point, we are aware of two studies that were conducted by groups of school districts that were interested in consolidating their transportation services. One group was located in the Capital district and the other in the Binghamton area. Both groups undertook the study in the hopes of merging efforts and operations to save costs and duplication. Neither group moved forward with those plans because they found that there were little or no costs savings. This was due in large part to the fact that there were no reductions in the number of destinations, hence limited opportunities for savings.

Students with Special Needs:

We are concerned that state reports and commissions have targeted the costs of transportation but have not studied the reasons for these costs. That is, there are significant costs attached to transportation of children to extra-curricular activities (which is not borne by the state but demanded by numerous local school districts for our students) and the costs of transporting students with special needs or homeless students who need access to a quality education.

Transportation becomes the equalizer to ensure these students receive the education to which they are entitled. We believe strongly in the importance of that service and providing a quality ride to school for all students. But we remind the committee that such services can be more specialized and can also be more costly as a result. We are eager to look for ways to mitigate those costs or to have them moderated by improved communication between those who implement and those who manage these programs and services for the children.

Bell Times:

We know that there are additional school buses being deployed to transport students to private and parochial schools as well as to BOCES programs because of the lack of coordinated bell times. Clearly no transportation system, regionalized, consolidated or otherwise described, can deliver children to multiple stops that require their arrival at the same times, regardless of how close they are located. It is simply not possible.

We have sought out the schools involved, including BOCES operations and tried to adapt bell times to allow for fewer buses as well as drivers and assistants being on the road – and less costs being incurred. The response has been scant and the opportunity has been lost – so far. We will continue to pursue such avenues and look to the Legislature and the State Education Department to assist and facilitate such changes, whether through statute or by policy development and technical assistance. We believe that millions of dollars can be saved in this way and we are eager to try to implement some of our suggestions.

Multiple Depots:

There is a theory being shared in many reports that consolidation will yield savings simply by reducing the need for large numbers of staff. In reality, larger geographic areas will continue to require multiple school bus depots that are equipped with reasonable numbers of school buses. No regional area can operate out of one depot. The private sector has demonstrated this fact, e.g., United Parcel Service, FedEx, or even private school bus operators. The location of multiple operations reduces dead-head miles and the length of ride for school children (note well that length of ride is the most common complaint from parents/taxpayers). The Legislature should think seriously about the reality that there will be minimal reductions in school transportation staffing levels and very little reduction in the actual number of school buses on the roads.

Capacity:

As state policy-makers explore the concept of regionalizing transportation into BOCES operations, we ask that you consider that there is currently little or no capacity at the BOCES to deliver such services. Where transportation services are being provided, the BOCES are doing quite well as our members will acknowledge. We are proud of many BOCES transportation professionals among our members and they contribute to our work in many ways. They are dedicated professionals.

However, most BOCES transportation programs focus on training or transporting students with special needs or disabilities. Several BOCES programs also have stepped in to provide transportation management services on a contractual or shared services basis and employ new or retired transportation managers to carry out these responsibilities. While they perform well at these services, they do not currently have the capacity to carry out the broader responsibilities of transporting 2.3 million children every day.

If the state were to move to a BOCES-based system, the BOCES would need to purchase or assume ownership of sufficient vehicles, maintenance facilities, drivers and staff to maintain a safe fleet for our children. They also would need to retain the services of management personnel (transportation supervisors) who would ensure the efficiency and compliance of their operations. This is a similar approach to what some Southern states are doing in their larger county operations, but does require an investment in facilities, staff and rolling fleet.

Simply put, they would subsume many of the assets and human resources of local school districts to carry out their new role. While there might be frictional changes in the number of personnel required to accomplish this, the numbers of children and schools dictate that base operations would remain, albeit under different oversight. The minimal costs savings (lower administrative staff?) does not, in our opinion, justify the resulting disruption in services to children and taxpaying parents. We strongly urge that a serious analysis of these factors be completed by an independent source before any steps are taken to advance a policy change that will affect so many of our children.

Weather:

Consider this scenario: it is snowing in Averill Park school district and it is expected to bring 10 inches of snow and a coating of ice. In neighboring East Greenbush schools, it is lightly snowing but there is added sleet in the mix. In Rensselaer schools immediately adjacent to the East Greenbush schools, it is just raining.

The three school districts are contiguous and are part of a regional school transportation operation under the state's plan. If they were not consolidated for transportation purposes, Averill Park would close, East Greenbush might delay opening for an hour and Rensselaer would open on schedule. Under a consolidated approach, all three would be forced to close out of deference to the risk inherent for the children who would be transported to the schools in Averill Park. Once the routes are consolidated or merged, there is no reasonable or efficient way to segregate them out to allow one component school to open while the others close.

Here again, the Legislature and others supporting such consolidations need to consider these real-time problems that must be addressed BEFORE casting that die.

SHARED SERVICES INCENTIVES

We would encourage the state to invest more substantially in programs like the Department of State Shared Services Municipal Grant Program as one means to provide incentives for local school districts and municipalities to explore and demonstrate the efficacy of coordinated efforts. School districts can serve as laboratories for the creative and practical ideas that are generated by

the professionals who manage our schools, including transportation managers who must innovate to solve problems every hour of the day.

OVERALL COST REDUCTION RECOMMENDATIONS

We offer a range of ideas that have been generated by conversation with our members over the past 8-10 months in regional and chapter meetings. We firmly believe that school transportation is an enabling service that is used by school administrators and others to ensure that all children get the education they need and are entitled to receive. This often includes exclusive routes to meet a student's needs or late day transportation to facilitate after-school programs – all of which are costly to deliver. We are concerned that, as a result, transportation is being viewed as costly and a place for cost reductions. We believe that there are systemic improvements that could be made that would by their implementation reduce the costs and inefficiencies that are perceived as transportation-related.

Our initial thoughts are included here:

- *Increase Efficiency of Transportation by Coordinating School Calendars and Bell Times:* Coordinate annual school calendars and, to the extent possible, session times for all public, charter, parochial and non-public schools to facilitate transportation services and to make such services more efficient. This needs to be considered on a statewide basis or, at the very least within a BOCES district to achieve real savings.
- *Incentives for Shared Services:* Provide incentives for OR remove disincentives to increased sharing of transportation services among school districts. Currently districts are penalized in the aid formula if they share services on a formal basis that involves an exchange of funds to absorb costs.
- *Allow Piggybacking among School Districts:* Remove obstacles that prevent school districts from 'piggybacking' on existing contracts for transportation services, with the concurrence of the contractor. If this practice were allowed or facilitated, a school district could, under certain circumstances, be included in another district/districts' contract for, for instance, special education transportation.
- *Disallow Transportation of Non-Public Students before the Official Start of School:* There is some ambiguity in the law regarding whether school districts may or must provide transportation services to non-public school students prior to the official opening of their own school year. The Education Department is considering allowing such transportation, which could add up to significant additional expenditures at a time when we are seeking to reduce expenditures. This issue needs to be clarified in statute. The potential costs and disruption to school districts are considerable.
- *Eliminate Duplication of Fingerprinting for School Bus Drivers:* Amend the Education Law to allow school bus drivers who have already cleared the Article 19-A finger-printing requirements and SED training requirements to serve as attendants or monitors without having to satisfy those requirements a second time.

- *Freeze on New Equipment Mandates for School Buses:* Impose a freeze on new mandates for equipment to be installed on school buses absent a fiscal note and an assessment that determines the safety benefits of the equipment and the impact on other equipment currently installed on the school bus.
- *Review Current School Bus Equipment for Potential Cost Savings:* Implement a comprehensive study of equipment that is currently mandated to be installed on school buses (particularly where such equipment exceeds recommended or regulatory federal standards) with the purpose of identifying those that could be modified or eliminated without compromising safety.
- *Eliminate Mandate for Costly Back-Lit 'SCHOOL BUS' Sign:* Allow school bus operators the option of equipping school buses with reflective front and back "SCHOOL BUS" signs in lieu of the back-lit signs currently mandated.
- *Increase Efficiency of Special Education Transportation Through Increased Coordination:* Require consultation by the Committee on Special Education with school transportation officials in the development of Individualized Education Plans for students with disabilities where such IEPs involve transportation, prior to the execution of the IEP.
- *Transportation Costs for Universal Pre-Kindergarten Students:* Provide funds in support of school transportation services for students in the state's Universal Pre-Kindergarten program; presently the costs for such services, to the extent they are allowed, are not eligible under Transportation Aid and are borne by local taxpayers.
- *Reduce the Transportation Radius to 10 Miles:* We have heard from some districts that estimate that more than 20% of their costs are incurred for transportation provided between 10 miles and 15 miles for attendees at non-public schools. While this is not scientific, the point is that the additional miles traveled results in significant expenses and requires dedicated buses so that those trips do not affect the length of ride for other students. There are advocates for increasing this mileage radius to 25 miles that would significantly increase the costs to school districts. We cannot support such an increase and are considering advocating for a reduction in the statutorily mandated radius.

IN SUMMARY

In summary, our position is that:

- the school transportation system in New York State has served our children and our taxpayers well and we maintain the best safety record in the nation as a result;
- school transportation services have historically been best addressed at the local level;
- efforts to consolidate school transportation services should be based in exhaustive study of costs and operational impact and then led by local decision-makers to address local needs;

- efforts by the state to super-impose a regional transportation scheme over a geographic area without similar changes in school boundaries cannot be supported by fact or experiences;
- every option should be given a fair hearing and thorough discussion to ensure success. This clearly includes more expansive and creative utilization of BOCES for transportation and other service in our schools;
- the state should facilitate efforts by local school administrators, school transportation managers and school boards to share services, consolidate services, and reduce costs without reducing or affecting the safety of our children.

Our children rely on our best judgment and decisions. They cannot afford our failures in this matter. For them, it becomes a matter of life and death.

On behalf of the members of the New York Association for Pupil Transportation:



Peter F. Mannella
Executive Director



Senate Standing Committee on Education
Public Hearing Testimony of
Dr. Carole A. McCoy, President – Jefferson Community College
October 13, 2009

Good afternoon. Thank you for this opportunity to provide testimony regarding BOCES as a model for delivering taxpayer savings. I think I speak for all community colleges in New York, if not all higher education institutions, when I state that reducing non-instructional costs is of tremendous interest to us.

At Jefferson Community College we believe that there may be small areas where we could benefit through additional shared services. Before going into those, I want to describe the many ways Jefferson Community College already takes advantage of different consortia to reduce costs. We participate in a SUNY consortium for our electricity prices. Jefferson County includes the college in their bids for natural gas providing us savings over what we could accomplish alone. We use the State University of New York SICAS Center for computer software support saving us significant personnel costs. We also use the State University of New York ITEC Center for computer hardware support. Again this saves us in personnel costs but more importantly this saves us major hardware costs.

We participate in the Jefferson-Lewis healthcare plan for our faculty, professionals, and management staff. For our classified staff we participate in Jefferson County's health benefits program which they administer. Our collective bargaining for both of our unions is led by Jefferson County avoiding the college needing to retain its own negotiator and labor attorney. Jefferson County provides our snow plowing services and also road paving at a price that we could not achieve on our own.

An area where the BOCES model may be beneficial to us is in purchasing. We utilize state contract pricing for all of our purchasing including technology. On the technology front, quite often we get favorable pricing just being an academic institution, in addition to being able to purchase from organizations on state contract.

We also, as a member of SUNY, are able to take advantage of additional aggregate buys and contracts through the SUNY University-wide IT Contracting office. The SUNY contracting office works to negotiate contracts that campuses might be interested in and usually the more campuses that sign up, the better the price. The contracts include everything from software such as Minitab and special Oracle pricing and support, to equipment including desktops, servers, firewalls, etc to our Blackboard contract and services such as training and technical support. They survey the campuses frequently and include interested campuses in discussions and review of draft contracts to make sure they're getting the appropriate products and services for them. Our library takes advantage of the SUNY contracts, too, in addition to being able to use the North Country Library System consortium for some products.

We would be very interested in any mechanism that could further lower technology pricing if that is possible. While technology is our highest priority because of the cost, we are interested in any purchasing agreements where we could realize a savings. Although we do heavily utilize state contracts, we do have a few relatively low dollar amount contracts for services where we do not utilize a consortium and thus we might benefit from the BOCES model. An example of this is trash services.

As a small community college, our administrative offices are typically one person operations that handle a multitude of tasks. Using BOCES for benefits administration would save a person a few hours a week. Using BOCES to run payroll would save us a few hours every two weeks. Most of the time and effort related to benefits administration and payroll is in setting up and managing employees which needs to be done by the campus in the context of our labor contracts. In a setting like ours with many student workers and many adjunct professors, we spend significant time managing this. I do not see that utilizing the BOCES model in this area would save us any staff or cost. It would, though, allow us to do a better job serving the faculty and staff of the college.

While I am in general very supportive of this concept, I have two major concerns about Jefferson Community College utilizing BOCES for services. The first is that the State Education Department regulations over K-12 are significantly different than those for community colleges and both are rigorous. I do not want to see a situation where the college is now required to meet additional standards and regulations because of an affiliation through BOCES. This will increase cost – not decrease it. The second concern also ties to how unique the community colleges are in the state. We are the only community college supporting Jefferson and Lewis counties. While there are some commonalities between us and the public schools, there are also very significant differences. If BOCES is providing services to many public schools and only one college, I am worried that our specific needs

will not be met. Services such as purchasing consortiums would have the most direct benefit to us as they do not require any party to have a detailed understanding of the other.

In conclusion, expanding the BOCES model could provide some small cost savings for Jefferson Community College. In this time of tremendous financial challenges at the state and local level, small cost savings can make a big difference. Thank you again for this opportunity to speak with you today.