

Bridgit M. Burke, Esq.  
Director and Assistant  
Clinical Professor  
Civil Rights and Disability Law Clinic  
Albany Law School

I. Governor

A. Role of the Governor

1. Recommends a budget  
<http://publications.budget.state.ny.us/eBudget0910/ExecutiveBudget.html>
2. Recommends legislation and can either veto or sign legislation passed by both senate and the assembly
3. Oversees most state agencies including Department of Health – notable exception Department of Education

B. 2009-2010 budget

1. Patterson's Educational Budget –
  - a. Zero growth
  - b. Special Education
    - i. School Age - School districts receive funding from Special Education services to school-age children through the foundation Aid formula and High Cost Excess Cost Aid and Private Cost Aid supplement Foundation Aid for Students with sever needs. Governor would continue existing statutory provisions for these two aid categories representing a 13.3 % increase
    - ii. Preschool- School districts will be responsible for a 15% share of preschool special education costs (reducing state share by 12.5% and county share by 2.5%). Budgetary efficacies itinerant teachers.
  - c. 3.3 % decrease in School Aid (\$698 million)
2. Will advance legislation to reduce reporting requirements, delay the implementation of unfunded mandates and offset impact of deficit reduction assessment by providing access to excess school district reserves.
3. New York State Commission on Property Tax Relief (Suozzi)  
<http://www.cptr.state.ny.us/>
  - a. NYS spends more than any other state on special education (3 times more than the national average)
  - b. Statewide 50% graduation rate for identified students (down to 20% in large cities)

c. Recommendations:

- i. The State Education Department should shift from regulatory enforcement to performance standards and support improved performance with training and expert assistance that promotes best practices.
  - a) Eliminate staffing guidelines
  - b) Reduce requirements to federal requirements
    - 1) CSE - composition, procedures and deadlines
    - 2) IEP
    - 3) Class size requirements
    - 4) No minimum Service Levels (specifically autistic children)
    - 5) Increase responsibility for district of residence for private school students
  - c) Integrate Special Education with General Education
  - d) Decrease classification rates (review districts with classification rates 20% higher than state average)
  - e) Reduce Litigation Costs
    - 1) Promote alternative dispute resolution
    - 2) Change to a 1 step appeal process
    - 3) Shift burden of proof
    - 4) Shorten statute of limitations
  - f) Increase Collaboration to Provide services (alternatives to out of school placements, special education transportation, emotional and psychiatric treatment)

4. School Boards Association

- a. No new charter schools until solution to the negative fiscal and educational impact on public schools
- b. Repeal BOCES district superintendent salary cap
- c. Burden of Proof placed on moving party
- d. Stop the diversion of public education funds to private schools (specifically addressed special education costs)

II. The Department of Health

A. Role of the Department of Health

1. Commissioner serves at the pleasure of the governor
2. Early Intervention is part of the DOH programming and not DOE.

B. Cost Containment Recommendations:

1. **Establish Early Intervention (EI) Parental Fee.** A monthly parental fee will be established, based on income, for the Early Intervention

Program, consistent with the fee schedule for Child Health Plus. Other states have similar fee schedules. (2009-10 Savings: \$0 million; 2010-11 Savings: \$27.5 million)

2. **Assess Early Intervention Provider Fee.** Approval of Early Intervention program providers will be based on need and an application fee will be assessed. (2009-10 Savings: \$1.7 million; 2010-11 Savings: \$3.6 million)
3. **Require Early Intervention Providers to Bill Third Party Payors.** To ensure greater accountability, the budget requires Early Intervention providers to directly seek reimbursement from third party payors, including Medicaid, prior to seeking payment from counties and New York City for benefits not covered by such third party payors. (2009-10 Savings: \$0; 2010-11 Savings: \$0.5 million)
4. **Modify Early Intervention Speech Eligibility Standards.** The eligibility criteria will be revised to match services with evidence-based treatment recommendations. (2009-10 Savings: \$0 million; 2010-11 Savings: \$1.7 million)

III. The Board of Regents - <http://www.regents.nysed.gov/>

A. Role of Board of Regents –

1. Oversees Department of Education (including VESID) & SUNY
  - a. The Commissioner of Education serves at the pleasure of the Board of Regents
  - b. The Board comprises 16 unpaid members elected by the State Legislature for 5 year terms
  - c. Monthly meetings
2. Oversight must be consistent with State and Federal Law
3. Board does not serve at the pleasure of the governor

B. Cost Containment Considerations:

1. Special Education
  - a. Minimum Level of Service Requirements for Speech and Language Related Services
    - i. Currently 2 thirty minute sessions per week
    - ii. Change so that the minimum is limited to students recommended for related services only.
  - b. Membership of CSE & CPSE
    - i. Additional parent member is not required by federal law
    - ii. Change so that additional parent member required only for initial referrals and available for subsequent meetings if parent requests 72 hours in advance.
  - c. Special Education Space Planning Requirements
    - i. Each BOCES must currently submit a special education space requirements plan every 5 years.

- ii. Repeal this requirement and retain requirement that school districts and BOCES ensure the stability and continuity of program placements for children with disabilities.
- d. Parent consent for July/Aug Services
  - i. In NYS, written parental consent is required prior to initial provision of special education services in a 12-month service and/or program.
  - ii. Only require above consent if this is the first time child is provided with special education services (federal rules would require this.)
- e. Statute of Limitations – seek change from a 2 year to a 1 year statute of limitations

IV. New York State Legislature

- A. Must Pass a budget
- B. Cost containment can be part of the budget bill or can be related bill.
- C. A law cannot be enacted without the Legislative passage:
  - 1. Committees in both senate and assembly review “program bills” recommended by the agencies and generally will sponsor unless there is significant opposition. In such cases will urge the agency to work with the opposition groups to come to a compromise
  - 2. Relevant committees
    - a. Assembly – Sheldon Silver (majority leader)
      - <http://assembly.state.ny.us/comm/>
        - i. Ways and Means (Farrell) – Budget
        - ii. Health (Gottfried) – Early Intervention
        - iii. Education (Nolan)
      - b. Senate – Malcom Smith (majority leader)
        - <http://public.leginfo.state.ny.us/statdoc/scomlist.html>
          - i. Education – Oppenheimer
          - ii. Health – Duane
          - iii. Public forum:
            - <http://www.senate.state.ny.us/sws/budgetideas/index.html>
    - 3. There must be a same as bill voted out of both the full senate and assembly to give the governor an opportunity to sign

V. Where does the American Recovery and Reinvestment Act Fit in?

- A. Purpose
  - 1. Addresses weakening economy by producing jobs and preventing further job loss
  - 2. Funds Education in 2 ways
    - a. Through existing federal funding titles administered by SED

b. Through a State Fiscal Stabilization Fund to help state communities counter budget reductions

B. What it means for NY (<http://www.economicrecovery.ny.gov/index.htm>)

1. New York State is expected to receive at least \$24.6 Billion in aid from the American Recovery and Reinvestment Act of 2009
2. Overall the special education funding is \$12,200,000 with \$760,000 to go to NY over a two year period.



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

**TO:** VESID Committee  
**FROM:** Rebecca H. Cort  
**SUBJECT:** Mandate Relief – Special Education Requirements  
**DATE:** January 26, 2009  
**STRATEGIC GOAL:** Goals 1 and 2  
**AUTHORIZATION(S):**

**Issue for Discussion**

Considerations of potential cost-saving mandate relief proposals in special education.

**Reason for Consideration**

Policy discussion

**Proposed Handling**

This item will come before the Committee for discussion at its February 2009 meeting.

**Background Information**

In response to the fiscal situation in New York State (NYS), at its January 2009 meeting the Board of Regents discussed eleven specific State law/regulation requirements in special education that may result in administrative relief and/or cost savings to school districts, but that would not significantly impact the quality of special education supports and services available to students with disabilities.

Following the January 2009 Board of Regents discussion, VESID met with its Commissioner's Advisory Panel (CAP) for Special Education Services to discuss substantive considerations related to these areas. In addition, VESID convened a

group of stakeholders which included individuals representing the Education Finance Advisory Committee, parents of students with disabilities, professional disability organizations, teachers unions, school superintendents, rural schools, school business officials, special education administrators, school boards and others to discuss the pros and cons of the proposed mandate relief and to consider other ideas for mandate relief in special education raised at this meeting. VESID also reviewed written comment submitted by numerous stakeholder groups with regard to each of the eleven proposed mandate relief areas.

Based on this information, VESID proposes the following five areas for further consideration by the Regents:

### **1. Minimum Level of Service Requirement for Speech and Language Related Services**

#### Current requirements:

State regulations require that each student requiring speech and language as a related service must be provided a minimum of two 30-minute sessions each week.

#### Proposal

Require that each student needing speech and language related services must be provided a minimum of two 30-minute sessions per week when such student is recommended to receive related services only; and repeal the minimum level of service requirement for speech and language as a related service for students where other special education services (besides related services) are recommended for the student.

#### Reason for Recommendation:

VESID heard concerns that the current State requirements that students receive a minimum level of service may be limiting discretion of the Committee on Special Education (CSE) and Committee on Preschool Special Education (CPSE) to determine the level of speech and language related services each individual student needs. The determination of frequency and duration of a related service should be based on a student's disability and in consideration of other specially designed instruction the student is receiving through such services as consultant teacher, resource room and special classes. In some cases, some students may be receiving more services than are necessary. While some expressed the need for discretion for the CSE to determine if an individual student needs less than the 2-30 minute sessions per week, others were concerned that fiscal decisions or availability of providers may drive recommendations for frequency and duration of services. Others noted that since speech and language impairment is a disability category for special education services, more students with milder impairments may be determined to need special education solely to receive speech and language. The

current minimum level of service requirement provides an important distinction between special education and speech and language improvement services.

The above proposal balances these concerns by providing flexibility to the CSE to determine the frequency and duration of speech and language therapy an individual student may need, in consideration of other special education services the student is receiving; and by establishing the threshold of need a student must present to require special education services to address a speech and language impairment disability.

## **2. Membership of the CSE and CPSE**

### Current requirement:

Federal law establishes the required membership of IEP teams. However, State law also requires that an additional parent member of a student with a disability residing in the school district or a neighboring school district be a mandated member of the CSE and CPSE. Such parent is not a required member if the parents of the student request that the additional parent member not participate in the meeting.

### Proposal

Propose that the participation of the parent of a student with a disability (in addition to the parent of the student being discussed at the meeting) be a required member on the Committee on Special Education (CSE) and Committee on Preschool Special Education (CPSE) for initial referrals to special education and, for subsequent meetings, only upon the written request of the parent at least 72 hours prior to the scheduled meeting.

### Reason for Recommendation:

The participation of the additional parent was first enacted in NYS at a time when the federal law did not include the provision that the parent could bring other individuals to the IEP meeting. Ensuring that a parent of another student with a disability is available to participate in CSE/CPSE meetings has presented many challenges to school districts. These challenges were addressed somewhat by changes to State law a few years ago allowing the parent to decline the additional parent member's participation and allowing school districts to use parents from neighboring school districts or parents of students with disabilities who had graduated within five years. While the additional parent members cannot be compensated for their participation on the CSE/CPSE, school districts do incur related administrative costs to ensure additional parent member participation and training. The lack of availability of the additional parent member can result in difficulty meeting mandated timelines for required meetings and possible due process challenges.

VESID heard concerns on behalf of parents that, particularly for initial meetings with the CSE and CPSE when they are new to the system of special education, the additional parent member may be an essential support and resource for information for the parent. School districts expressed the ongoing concerns about lack of availability of parent volunteers to serve as additional parent members and the resulting consequences for districts to continuously reschedule CSE/CPSE meetings to meet the additional parent member requirement, sometimes resulting in fiscal consequences when meetings need to be cancelled because of the unavailability of the additional parent member when substitute teachers were hired to cover classrooms for these meetings.

### **3. Special Education Space Planning Requirements**

#### Current Requirement:

Education Law requires that each Board of Cooperative Educational Services (BOCES) submit a special education space requirements plan every five years.

#### Proposal:

Repeal the requirement for the five-year Special Education Space Requirements Plans, beginning with the next plan due to the Department, but retain the requirement that school districts and BOCES ensure the stability and continuity of program placements for students with disabilities, including procedures that ensure that special education programs and services located in appropriate facilities will not be relocated without adequate consideration of the needs of participating students with disabilities.

#### Reason for Recommendation:

This regional planning requirement has been effective in providing for appropriate educational space for students with disabilities in the least restrictive environment (LRE). Subsequent to the initiation of this requirement, the reauthorized IDEA instituted a range of data submissions that each state must include in the State Performance Plan (SPP). As a result, the State collects and publicly reports on each school district's LRE placements for students with disabilities in relation to the State's targets. These SPP requirements can ensure that each school district provides appropriate educational space for students with disabilities in the least restrictive environment, which is the intended purpose of special education space planning requirements.

VESID heard agreement that the LRE placements of students with disabilities could be addressed through other processes. However, concerns were highlighted that safeguards should be maintained that protect the stability and continuity of program placements for students with disabilities, particularly when such placements are in BOCES programs in public school district buildings.

#### **4. Parental Consent for July/August Services**

##### Current Requirement:

Federal regulations require that parental consent be obtained prior to an evaluation or reevaluation of a student suspected of having a disability and prior to the first time a child is provided special education services. In NYS, written parental consent is also required prior to initial provision of special education services in a 12-month special service and/or program (i.e., July/August services).

##### Proposal:

Propose repeal of the requirement that school districts obtain the written consent of the parent prior to the initial placement of the student in a July/August program recommended by the CSE or CPSE to prevent substantial regression even when consent for initial 10-month special education services has already been obtained.

##### Reason for Recommendation:

Minimizing the instances when consent from parents must be obtained would provide some relief from procedural compliance requirements. Parental consent will continue to be required whenever July/August services are recommended at the time the student first receives special education. Currently, parental consent is not required for any subsequent amendment of an IEP, other than the addition of July/August services. Such an amendment can only be made through the CSE/CPSE process, or through an agreement between the parent and a representative of the local educational agency after the CSE or CPSE has reviewed the student's IEP for the school year. If the parent disagrees with a CSE/CPSE recommendation to add July/August services, he or she has the right to challenge such a recommendation through a due process complaint. Requiring school districts to obtain parental consent for the initiation of July/August services adds an additional procedural requirement that is unnecessary under federal law and can be burdensome for school districts, particularly in situations in which the parent is difficult to contact or fails to respond. Few objections were raised to repeal of this requirement, other than generalized concerns that existing requirements for parental consent not be changed.

#### **5. Due Process Statute of Limitations**

##### Current Requirement:

Education law was amended in 2005 to establish a two-year statute of limitations for filing an impartial hearing request.

Proposal:

Amend State law to require that an impartial hearing be commenced within one year of the date on which the parent or public agency knew or should have known about the action that forms the basis for the complaint. The time limitation would not apply if the parent is prevented from requesting an impartial hearing due to specific misrepresentations by a school district or the district's withholding of information it was required to provide under federal law.

Reason for Recommendation:

Prior to 2005, NYS required that an impartial hearing be commenced within one year of the date on which the parent or public agency knew or should have known about the action that forms the basis for the complaint.

The effect of a two-year statute of limitations has been to double the amount of time for a party to bring a complaint, thereby increasing the complexity of impartial hearings and imposing substantial additional due process costs on school districts and the State. Requests for impartial hearings, in particular for claims for tuition reimbursement or compensatory education, have increased since 2005.

In addition, a statute of limitations of more than one year to request an impartial hearing is programmatically inappropriate since IEPs are developed for one year. IDEA due process procedures should be designed to resolve disputes within one year so that any resulting changes needed to assure that the student receives a free appropriate public education are made in time to benefit the student.

VESID heard concerns that the requests for due process hearings may increase if the statute of limitations were one year, in part because parents may not try to resolve the dispute with the district prior to requesting a hearing. Others supported this change which would lead to issues impacting a child's education to be addressed quickly and during the year the IEP in dispute is in effect.

**Next Steps:**

With your direction, VESID will develop legislative/regulatory proposals, and seek public comment as required by IDEA, to provide mandate relief to school districts.



THE STATE EDUCATION DEPARTMENT/THE UNIVERSITY OF THE STATE OF NEW YORK/ALBANY, NY 12234

**TO:** Subcommittee on State Aid  
**FROM:** Johanna Duncan-Poitier  
**SUBJECT:** Regents 2009-10 Proposal on State Aid to School Districts—Cost Containment  
**DATE:** February 3, 2009  
**STRATEGIC GOAL:** 1, 2, 3 and 5  
**AUTHORIZATION(S):**

### SUMMARY

#### Issue for Discussion

What are the details of cost containment proposals advanced by the Board of Regents in its 2009-10 State Aid proposal?

#### Reason(s) for Consideration

Policy implementation.

#### Proposed Handling

These questions will come before the Subcommittee at its February meeting.

#### Procedural History

The Regents approved their 2009-10 State Aid proposals at a special meeting of the Subcommittee in December 2008. At the January meeting the Subcommittee met and discussed cost containment proposals relating to regional pupil transportation and BOCES. The Subcommittee held a joint meeting with the VESID Committee and discussed special education mandate relief proposals. The Subcommittee asked staff to get stakeholder input and come back to the Regents in February with more detailed proposals that have some field support.

## Background Information

The Regents have carefully crafted this year's State Aid proposal to retain those critical funding directions necessary to continue the State's progress toward educational adequacy, despite the State's worsening revenue picture. The Regents recommended that the State continue to phase in the Foundation Aid formula and to continue to increase support for universal pre-kindergarten. In order to preserve funding for these crucial priorities, the Regents recommended cost-containment strategies including mandate relief, regional transportation and greater use of BOCES shared services. In a separate item to the Regents VESID Committee, the Department is considering mandate relief in requirements for special education.

In this report, Attachment A considers the potential for cost savings and other benefits from:

- Regional approaches to transportation offered by BOCES and school districts;
- Regional cooperative purchasing of school buses;
- Piggybacking on transportation contracts; and
- Expanding the role of BOCES in providing central business office services.

Attachment B presents areas for further discussion and consideration including:

- Regional task forces to develop opportunities for district or functional consolidation; and
- Regional high schools for small school districts.

## Recommendation

Not applicable.

## Timetable for Implementation

The Department and Regents will advocate for the Regents proposal in the next two months. The Governor has asked the Legislature to approve a State budget before April 1.

Attachment

Regents Proposal on State Aid  
to School Districts for 2009-10  
Supplement on Cost-Containment Proposals

## Overview

This report presents additional detail on a set of recommendations that are expected to help school districts contain costs while maintaining the State's progress in closing the gap in student achievement. It presents recommendations in two areas: expanding regional transportation initiatives and strengthening the role of BOCES to offer central business office services. In each area, the report describes expected benefits including estimates of cost savings and other potential benefits. The report presents additional detail concerning each recommendation. The report presents two areas for further discussion: regional study groups on expanding consolidation approaches and regional high schools for small school districts. A separate report to the Regents VESID Committee presents recommendations to reduce local school district costs through special education mandate relief.

### Expand Regional Transportation Initiatives

#### Potential Benefits

**Potential Cost Savings:** School districts currently spend approximately \$2.8 billion for pupil transportation for which they receive \$1.5 billion in state aid or approximately 54 percent of these expenses. While savings have the potential to increase over time and depend on the constraints placed on school districts and BOCES, conservative estimates are that it may be possible to achieve state-wide savings from \$30 million to \$60 million in the first year and \$60 million to \$120 million upon full implementation. The following considerations should be borne in mind.

- Any transition to a regional model of pupil transportation will take a number of years. By starting with regionalization of nonpublic and special education transportation, along with some shared maintenance services savings, would accrue. A greater level of savings would accrue to those districts having the most out-of-district special education and nonpublic transportation services.
- Smaller districts which might not want to consolidate could share transportation administrative and training staff.
- Additional savings will accrue as larger school districts take on the task of providing all the transportation services of smaller districts within their region.
- School district expense for the purchase of school buses in the 2008-09 school-year is estimated to be \$105.5 million. By moving to a regional or cooperative model of bus purchasing a savings of 5 to 15 percent is possible, depending upon the method school districts are currently using to purchase school vehicles.

- Regionalization of school bus maintenance would result in less duplication in the purchase of repair and maintenance equipment and construction of garage and bus bay facilities.
- Over time potential cost savings to the state and local districts from adopting a true regional model of pupil transportation would increase as efficiency increases.

**Other Potential Benefits:** Moving to a regional model of providing pupil transportation services to pupils would result in several benefits to member districts.

- Smaller school districts would be able to share transportation supervisors and safety training staff thus providing a level of expertise that is not currently affordable for smaller districts.
- Employees who are currently performing multiple duties such as building and grounds, school business official and transportation director would have more time to expend in these other functional areas.
- There would be less duplication of services or routes for the transportation of nonpublic and special education pupils resulting in lower cost and higher capacity utilization of school vehicles.
- Such a model would increase the opportunity for fulltime employment for school bus drivers, safety trainers and support staff. A regional maintenance model would increase the number of fulltime positions for mechanics and bus maintenance staff.
- The ability to offer fulltime positions would aid in attracting and retaining employees. There is a current national shortage in bus drivers in large part due to the part-time nature of the position with little fringe benefits.

## Options

**Option 1:** Enable public school districts to conduct regional pupil transportation services and to require the BOCES to create task forces to study and implement consolidation of pupil transportation on a regional basis.

### Background Information – School District Services:

Education Law section 3635 authorizes school districts to provide pupil transportation services to distance eligible resident pupils. It provides that school districts transport pupils to both public and nonpublic schools and provides a minimum eligibility distance of two miles for k through 8<sup>th</sup> grade and 3 miles for 9 through 12<sup>th</sup> grades. Education Law 3602 (7) provides for the payment of transportation aid for pupil transported 1.5 miles out to a maximum distance of 15 miles from their home to the school they attend.

School districts do have the legal authority to do limited “shared services.” Current law provides that shared services be provided on district owned or leased buses. The provider district must have a pupil attending the same private school to which they are busing another district’s student. Shared services provided by school districts are generally limited to nonpublic school students and students attending a BOCES

program. There is no legal authority for a public school to transport the pupils of another school district who are attending a public school in their home school district.

In densely populated areas of the state regional transportation services provided by a public school district (or private contractor) could increase capacity use of school buses and reduce total transportation costs. Such regional transportation would require a commitment from member districts and their nonpublic schools to stagger start and dismissal times, and prepare regional emergency management plans. In sparsely populated areas of the state, districts might share pupil transportation administrative and safety training staff that they might not be able to afford individually. We believe that there can be cost savings in many areas of the state by using a regional pupil transportation and/or regional bus maintenance system.

Change in this area would require an amendment of Education Law section 3635 to authorize public school districts to conduct regional pupil transportation services for both public and nonpublic students residing within member districts. An Enterprise Fund would provide the means of accounting for the regional transportation costs and revenues.

#### **Background Information – BOCES Services:**

BOCES currently have the authority under Education Law to provide regional transportation including a number of pupil transportation services that have approved COSERS including:

- School bus driver training and safety training programs;
- School bus maintenance and repair;
- Transportation of pupils to and from BOCES occupational education classes;
- Transportation of pupils to and from BOCES programs for students with disabilities;
- Transportation of pupils to and from public and private programs for students with disabilities;
- Drug and alcohol testing for school bus drivers; and
- School bus communications systems.

BOCES has the legal authority to act as an administrative agency for school district cooperative bids. BOCES also has the legal authority to provide certain central business office functions.

Small school districts may not have the need for or financial capacity to support a fulltime transportation director and safety training staff. The cost of providing transportation for special education pupils and to nonpublic schools is higher and less efficient due to the small numbers attending a specific school. If the districts within a region would share a school bus to a particular location the cost to each for that service should decrease. If BOCES were to provide pupil transportation services for school districts within their region there should be more efficient use of vehicles and lower cost overall for the service compared to if the individual districts provided the service. The sharing of administrative and training personnel would also provide a higher level of

services to smaller districts than is currently available which should lead to safer and better coordinated service.

**Option 2:** Require school districts to choose the least costly option including cooperative regional bids for the purchase of school buses.

**Background Information:**

School districts may currently purchase school buses in one of four ways. They may purchase through the State Contract, purchase a bus from another school district or BOCES, conduct a local competitive bid or participate in a cooperative competitive bid.

Approximately seven years ago, Education Law section 3602 (7) was amended to permit school districts to be aided on the base price of the school bus plus any option purchased off of State Contract. The Office of General Services restricted the options permitted at the request of SED.

The State Contract differs from a competitive bid in that there are no defined quantities, so prospective vendors are not guaranteed any sales, and have no quantities upon which to calculate a reduced price from full retail. An increase in the quantity purchased coupled with fewer options would result in a lower cost per bus. This does not happen on the State Contract. Therefore, school districts can often obtain better pricing by doing a local bid with defined quantities.

School districts/BOCES have the authority to join together to do cooperative bids. The greater the number of vehicles bid, the more the potential cost savings. If the school districts in a region standardize on a particular brand of school bus with limited options the quantities would increase and the price per bus decrease.

**Option 3:** Permit piggybacking on pupil transportation contracts of other school districts with the consent of the contractor.

**Background Information:**

School districts have the legal obligation to transport distance eligible pupils to and from home and school. They may provide the service on school district owned buses, via public transit or by contracted services with private school bus companies. School districts have the legal authority to join together to provide pupil transportation services on district owned school buses. This is called shared services. They do not have the authority to transport any pupils on a school bus owned by a private contractor with whom their district does not have a contractual relationship. This is called piggybacking.

School districts are reluctant to do a competitive bid to transport pupils to a location for which another school district already has had a private contract in place for several years. That is because such a bid would likely result in a much higher award price. If other school districts were permitted to use the existing contract, with agreement of the contractor, state and local costs would be less.

## Expand the Role of BOCES to Provide Central Business Office Services

### Potential Benefits

**Potential Cost Savings:** The BOCES Central Business Office service can have a direct financial impact on participating districts by decreasing school district costs for the business office. Central Business Office services may also create greater efficiencies in other district costs, such as the impact of long range budget planning on district commitments for employee salaries and benefits over time.

**Other Potential Benefits:** There may be other benefits associated with participation in a BOCES Central Business Office, such as:

- Greater focus of administrators on educational issues;
- Greater expertise at the Central Business Office in areas such as budgeting and multi-year forecasting; and
- Improved efficiency of any business office staff still in district.

### Background Information:

In 1995, the Broome-Tioga BOCES began the Central Business Office based on discussions between districts and BOCES related to efficiencies that could be achieved through shared services. Thirteen years later the concept of a shared business office has grown from three full-service districts to eight. This synopsis presents some details regarding this BOCES' service and its delivery and growth.

### Financial Services Provided

**Full Service:** Budgeting, accounting, accounts payable, purchasing and payroll, cooperative bidding

**Ala Carte Services:** Any individual activity

**Shared Business Executive:** School district may elect to share a school business official with one or more other school districts.

### Participation in Services

#### Districts Participating in Full Service (District enrollment in parentheses):

Binghamton City School District (6,019)	Union-Endicott CSD (4,246)
Vestal CSD (3,956)	Windsor CSD (1,857)
Newark Valley CSD (1,298)	Owego-Apalachin CSD (2,171)
Deposit CSD (612)	Susquehanna Valley CSD (1,921)

#### Districts Participating in Ala Carte Services (District enrollment in parentheses):

Maine-Endwell CSD (2,586) – Payroll, Accounts Payable and Fixed Assets

## **Districts Participating in Shared Business Executive Service:**

Susquehanna Valley CSD (1,921) and Deposit CSD (612)

### **Growth**

**1997:** Total General Fund Budgets for Original 3 Districts

W-2's for Original 3 districts – 3,007 (includes all district staff)

CBO Staff for the Original 3 districts – 22 (includes shared staff)

**Today:** Total General fund budgets for 2008-09 for 5 districts - \$366 million

W-2's for 6 districts on 12/31/07 – 7,470

Current CBO staff for eight full-service districts, cooperative purchasing, Ala carte and Shared Business Executive services combined – 43

### **Benefits/Value Added Services Provided/Requested**

- Personnel cross-training and back-ups
- High level of experience and expertise in private and public sectors
- Internal controls implemented at CBO
- Cooperative bidding and purchasing service – buying power
- Each district benefits from experiences of all other districts
- Most districts save money on a gross cost basis
- Since business office costs in a school district are not aidable and mostly borne by taxpayers, the BOCES Aid that the CBO affords all districts shifts significant costs to the state

## Topics for Further Consideration

Two topics have been raised by the Lundine and Suozzi Commissions that merit additional discussion and consideration: establishing regional task forces on consolidation and establishing regional high schools for small school districts. The following paragraphs describe background on each proposal.

**Topic 1.** Establish regional task forces on consolidation.

### **Background Information:**

There are many existing mechanisms for sharing of services and functional consolidations that could result in substantial cost reductions and have been implemented in some parts of the state but are not widely used. There is a need to generate local sharing and consolidation initiatives that make use of the best practices of other BOCES and school districts. There is a need for flexibility in determining which approaches are best suited for each region of the State.

This report recommends further discussion of a proposal to create regional task forces to study and make recommendations on opportunities for greater consolidation in each region--both school district reorganization and functional consolidation--for the purpose of reducing costs and increasing achievement. The regions could be charged with reporting annually on consolidation efforts pursued, savings achieved or expected and identifying obstacles to consolidation. Task Forces should have representation from the BOCES, superintendents of schools and school boards of component school districts, teachers, school business officials, parents and the business community.

Areas to be studied and implemented could include:

- Expansion of shared educational program opportunities that increase student achievement results, increase high school completions and improve student readiness for work or college;
- Regional transportation approaches including regional administration of pupil transportation programs for component districts, cooperative bidding on new school bus purchases and regional maintenance;
- Expansion of central business office within limits established by law, regulation and professional auditing standards;
- Health insurance programs that reduce costs by increasing the pool of insured individuals through cooperative plans involving several districts.
- Programs and services that reduce school district and BOCES costs for energy;
- Budget forecasting services that strengthen school district financial condition by helping school districts to budget for the cost of employee salaries and benefits over time; and
- The expansion of other programs and services consistent with existing provisions of law that improve educational outcomes or contain costs.

## Topic 2: Establish Regional High Schools for Small School Districts

### Background Information:

Two approaches are possible for implementing a regional high school, a regional high school operated by BOCES, such as Tech Valley High School in Troy, and a central high school district, such as is operated on Long Island. Each model would require the amendment of state law.

The regional high school is provided by BOCES with districts opting to send students. Those districts sending students then receive BOCES Aid on that expense. The sending school district awards the high school diploma and the regional high school has no authority to tax or borrow.

The central high school district is an independent district which operates the secondary school of two or more school districts with the authority to borrow and award high school diplomas, while component K-6 districts operate the elementary schools and levy taxes to support both the central high school district and the elementary schools.

On the positive side, central high school districts have operated well on Long Island and offer a viable model for regions of the state with school districts with small student enrollments. They answer a need for small enrollment districts that don't want to merge and are a way to create a larger, more educationally viable high school unit.

On the negative side, the central high school district model is a high cost form of reorganization. It adds to the number of districts in the state and resulting administrative staff. Many low-enrollment districts are located in areas where a central high school is not logistically feasible due to large geographic areas requiring students to spend long periods of time in transit.