



Cost-Effectiveness of BOCES Non-Instructional Services

2011-MS-4



Thomas P. DiNapoli

Table of Contents

	Page
AUTHORITY LETTER	2
EXECUTIVE SUMMARY	3
INTRODUCTION	5
Background	5
Objective	6
Scope and Methodology	6
Comments of BOCES Officials	7
COST-EFFECTIVENESS OF BOCES NON-INSTRUCTIONAL SERVICES	8
Cost Comparison	8
Impact of BOCES Aid	14
Recommendations	18
APPENDIX A Responses From BOCES Officials	19
APPENDIX B Audit Methodology and Standards	21
APPENDIX C Districts That Joined or Dropped Non-Instructional CoSers	23
APPENDIX D Non-Instructional CoSer List and Brief Description of Services	24
APPENDIX E BOCES Services Cost More: Districts That Joined Non-Instructional CoSers	26
APPENDIX F BOCES Services Cost More: Districts That Dropped Non-Instructional CoSers	28
APPENDIX G BOCES Aid Received in All Instances Where BOCES Services Cost More	29
APPENDIX H How to Obtain Additional Copies of the Report	31
APPENDIX I Local Regional Office Listing	32

State of New York Office of the State Comptroller

Division of Local Government and School Accountability

April 2012

Dear Board of Cooperative Educational Services (BOCES) Officials:

A top priority of the Office of the State Comptroller is to help BOCES officials manage BOCES resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support BOCES operations. The Comptroller oversees the fiscal affairs of BOCES statewide, as well as BOCES' compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and Board of Education governance. Audits also can identify strategies to reduce BOCES costs and to strengthen controls intended to safeguard BOCES assets.

Following is a report of our audit of Boards of Cooperative Educational Services titled Cost-Effectiveness of BOCES Non-Instructional Services. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the General Municipal Law.

This audit's results and recommendations are resources for BOCES officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

A Board of Cooperative Educational Services (BOCES) is a public organization whose primary function is providing cooperative instructional and non-instructional services to its component and non-component school districts.¹ Non-instructional services usually represent the second largest area of BOCES services (after special education), and include services that support districts' management or central office functions. In 2009-10, all BOCES' non-instructional services accounted for over 19 percent of BOCES service expenditures, and totaled more than \$515 million.

New York State provides participating school districts with BOCES Operating Aid (BOCES Aid) for purchasing certain shared services through annual contracts with BOCES, called Cooperative Service Agreements (CoSers). BOCES receive BOCES Aid from the State on their districts' behalf for the costs of approved services costs, which they then pay to the districts.

We audited four BOCES in central New York State: Onondaga-Cortland-Madison (OCM BOCES), Hamilton-Fulton-Montgomery (HFM BOCES), Delaware-Chenango-Madison-Otsego (DCMO BOCES), and Oneida-Herkimer-Madison (OHM BOCES). These four BOCES expended about \$47 million to provide non-instructional services in the 2009-10 fiscal year.

Scope and Objective

For the period July 1, 2006 to June 30, 2010,² our audit addressed the following question about BOCES non-instructional services:

- Does school districts' use of BOCES non-instructional services actually save taxpayer dollars before BOCES Aid is factored in?

Audit Results

We found that BOCES' costs for non-instructional services are generally higher than the costs districts would pay if they performed the services themselves. However, when BOCES Aid is factored in, the net costs paid by the districts usually were lower because State taxpayers helped subsidize the services that BOCES provide.

¹ Component school districts (BOCES members) provide most of the funding for BOCES facilities and services. Non-component school districts that elect to participate in one or more selected BOCES programs are billed accordingly. We consider both component and non-component districts to be "participating" districts.

² We extended our scope to cover July 1, 2005 to June 30, 2006 for the purpose of historical cost comparisons.

Given their ability to partner with multiple districts to provide cost-effective shared services by means of efficiencies and economies of scale, BOCES should be able to help taxpayers save money on school districts' operating and management services costs. However, in 28 of the 47 instances (60 percent) in which we were able to compare costs of non-instructional services, we found that BOCES costs were 56 percent higher, on average, than districts' costs for delivering the same services. BOCES non-instructional services may be priced higher because BOCES do little to ensure low costs: only one of the four BOCES - OHM BOCES - did cost analyses to make sure its costs were competitive. These efforts paid off; our comparisons showed that OHM BOCES' costs were the least likely to be higher than district costs for the same services.

New York State is the only state in the nation that provides incentive aid (BOCES Aid) for broad categories of shared services. Because BOCES Aid is available, districts continue to contract for BOCES higher-cost non-instructional services. We found that, in 23 instances in which BOCES services cost more than districts' costs for in-house services, total BOCES Aid exceeded the total extra costs of BOCES services by more than \$122,000; for 17 of these services (74 percent), BOCES Aid reduced the net cost of BOCES' services to below what districts would pay to provide the services themselves. Therefore, the availability of BOCES Aid does not incentivize BOCES to minimize service costs, or districts to demand less expensive choices; instead, BOCES Aid shifts the burden of BOCES extra costs from local taxpayers to State taxpayers.

Comments of BOCES Officials

The results of our audit and recommendations have been discussed with BOCES officials and their comments, which appear in Appendix A, have been considered in preparing this report.

Introduction

Background

A Board of Cooperative Educational Services (BOCES) is a public organization whose primary function is to provide cooperative educational programs and services to its component and participating school districts. New York State has 37 BOCES, each of which comprises component school districts that elect the members of their respective BOCES' Board of Education (Board). The Board is responsible for establishing policies and procedures for BOCES operations. BOCES costs are funded primarily by charges to component and participating school districts for BOCES services, and by Federal and State grants or aid.

BOCES deliver multiple instructional and non-instructional services in six services categories to their component and non-component school districts.³ Instructional categories include career and technical education, special education, itinerant services, general education, and instructional support. The sixth category, non-instructional services, usually represents the second largest area of BOCES services (special education is the first) provided to school districts, and includes services that support school districts' management or central office functions. Examples of non-instructional services include management technology, safety-risk management, negotiations, public information and transportation. In 2009-10, all BOCES non-instructional support accounted for over 19 percent of BOCES service expenditures, and totaled more than \$515 million.

The BOCES Cooperative Service Agreement (CoSer) pricing model is very comprehensive in that it allocates all related costs for services, including overhead directly attributable to the operation of that CoSer, to each individual district that chooses to participate in the service. In addition to the cost to participate in various CoSers, each component district is also assessed a proportionate share of all costs included in BOCES administrative and capital budgets, regardless of the district's participation in elective services (such as contracting with BOCES for non-instructional services).

³ Component school districts (BOCES members) provide most of the funding for BOCES facilities and services. Non-component school districts that elect to participate in one or more selected BOCES programs are billed accordingly. We consider both component and non-component districts to be "participating" districts.

New York State provides participating school districts with BOCES Operating Aid (BOCES Aid) for purchasing certain shared services through the annual CoSer contracts with BOCES. BOCES receive BOCES Aid from the State on their districts' behalf for approved services costs, administration, and capital costs, which they then pay to the districts.

We audited four BOCES in central New York State: Onondaga-Cortland-Madison (OCM BOCES), Hamilton-Fulton-Montgomery (HFM BOCES), Delaware-Chenango-Madison-Otsego (DCMO BOCES), and Oneida-Herkimer-Madison (OHM BOCES); these four BOCES expended about \$47 million to provide non-instructional services in the 2009-10 year. Table 1 provides details on each of the BOCES included in the audit:

Table 1: BOCES Expenditures, Non-Instructional CoSers, and Enrollment				
BOCES	2009-10 General Fund Expenditures, in millions	Number of Non- Instructional CoSers	Number of Component Districts	Component Districts' Enrollment 2009-10
OCM BOCES	\$98.1	17	23	60,366
HFM BOCES	28.7	4	15	17,202
DCMO BOCES	41.3	16	16	14,883
OHM BOCES	49.9	16	12	24,361
Totals	\$218	53	66	116,812

BOCES were established in 1948 as a means of helping small rural districts combine their resources so they could provide services they would otherwise not have been able to provide. As the concept of using BOCES to bundle services became more widespread, BOCES and the services they offer expanded. Today, BOCES has a program budget of over \$2 billion dollars. BOCES serve more than 1.5 million students and offer more than 200 different services in approximately 5,000 CoSers.

Objective

Our audit addressed the following question:

- Does school districts' use of BOCES' non-instructional services actually save taxpayer dollars before BOCES Aid is factored in?

Scope and Methodology

For the period July 1, 2006 to June 30, 2010, we interviewed BOCES and school district officials, reviewed the BOCES Administrative Handbooks, examined BOCES records, reports and other documentation, and analyzed and compared cost

information from districts and BOCES. We extended our scope to cover July 1, 2005 to June 30, 2006 for the purpose of historical cost comparisons.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report.

**Comments of BOCES
Officials**

The results of our audit and recommendations have been discussed with BOCES officials and their comments, which appear in Appendix A, have been considered in preparing this report.

Cost-Effectiveness of BOCES Non-Instructional Services

Given their unique position to partner with districts to provide cost-effective services through efficiencies and economies of scale, BOCES should help taxpayers save money on school districts' operating and management services costs by providing districts with quality shared services at the lowest possible price. However, we found that BOCES costs for non-instructional services are generally higher than the costs districts would pay if they performed the services themselves. In 28 of the 47 instances (60 percent) in which we were able to compare costs of non-instructional services at participating districts, we found that BOCES costs were more than 56 percent higher, on average, than district costs for delivering the same services. BOCES non-instructional services may be priced higher than they could be because BOCES do little to ensure low costs: only one of the four BOCES, OHM BOCES, did cost analyses to make sure its costs were competitive. These efforts paid off; our comparisons showed that OHM BOCES costs were the least likely to be higher than district costs for the same services.

New York State is the only state in the nation that provides incentive aid (BOCES Aid) for broad categories of shared services. Due greatly to the availability of BOCES Aid, districts continue to contract for BOCES' higher-cost non-instructional services. In 74 percent of the examples we examined in which BOCES' services cost more, BOCES Aid reduced the net cost of BOCES' services to below what districts would pay to provide the services themselves. Therefore, BOCES Aid results in the districts raising less from local taxpayers, despite paying a premium for using BOCES CoSer services.

However, these apparent cost savings for individual districts are not cost savings for State taxpayers who are funding BOCES Aid, and are therefore subsidizing the use of BOCES' services.

Cost Comparison

BOCES has a responsibility to provide necessary services to school districts in a cost-efficient and cost-effective manner. BOCES commits to this goal in its mission statement, by stating that BOCES exist to "provide cost-effective shared services to school districts." The New York State Education Department (SED) requires that BOCES develop each shared service on the basis of effectiveness or efficiency, as evidenced by one or more of these circumstances:

- Individual component districts lack enough students who are eligible for and/or interested in the program
- The program requires high cost or specialized equipment, facilities or staff
- BOCES operation of the program will result in a lower total cost than operation by individual component districts
- Operation of the program by BOCES will result in improved service to students.

Given the nature of most BOCES non-instructional services offered by CoSers (e.g., central business office, school food management, cooperative purchasing), the principal gauge of effectiveness and efficiency in delivering such a service is that BOCES' total cost for performing the service should be lower than the district's cost to perform it.

To determine whether the costs of BOCES non-instructional services – apart from the impact of BOCES Aid – were actually lower than the costs of those services when performed by the districts themselves, we examined all 47 non-instructional instances for which comparisons⁴ could be made during our four-year audit period. We made comparisons in the year in which changes took place. Specifically, we examined the difference in cost when:

- A district had performed a service in one year, but joined a CoSer to obtain the same service in the following year (35 comparisons).
- A district used a CoSer service in one year, but dropped the CoSer in the following year to perform the same service using district personnel (12 comparisons).

We found that, in 28 of the 47 instances (60 percent), BOCES' costs (before BOCES Aid) were \$6,344 (56 percent) higher, on average, than districts' costs for delivering the same services.

⁴ Although we reviewed all non-instructional services, we did not audit services that were not reasonably comparable. For example, we did not view services as being comparable if the district did not offer the CoSer service in the prior or following year using district staff, or if the BOCES' service was significantly different from the district service. We also did not compare one BOCES' costs to another's costs for the same service (i.e., if a district switched from one BOCES to another for the same service).

Districts that Joined BOCES CoSers – For each district that joined a CoSer during our scope period, we compared the costs charged by BOCES in the initial year the district joined the CoSer⁵ with the district’s costs in the previous year. For the 35 instances in which we could make comparisons, in 20 instances (57 percent), districts paid more for BOCES-provided services than they would have paid to perform the services on their own, as illustrated in Table 2.

BOCES	Total Comparables	BOCES Cost More	BOCES Cost More (Percent)	Total Additional Cost	Cost Increase (Percent)
OCM BOCES	18	11	61%	\$47,462	30%
HFM BOCES	3	3	100%	\$13,659	83%
DCMO BOCES	6	5	83%	\$14,399	73%
OHM BOCES	8	1	12.5%	\$767	10%
Total	35	20	57%	\$76,287	38%

Therefore, these districts paid more than \$76,000 more for services (before BOCES Aid) by outsourcing to BOCES. The extra amounts ranged from \$189 – \$27,012 per instance.⁶ For example:

- Cortland Enlarged City School District paid OCM BOCES \$84,046 for the food service management program in 2009-10. Cortland operated a comparable program in-house in 2008-09 at a cost of \$57,034. District officials told us that they joined the BOCES CoSer for 2009-10 to improve management of the program. After joining the CoSer, program costs rose by more than 30 percent.
- The Greater Amsterdam School District paid HFM BOCES \$25,715 for the Substitute Services CoSer in 2007-08. The District had operated a comparable program in-house at a cost of \$15,715, \$10,000 less, in 2006-07.
- Marcus Whitman Central School District paid DCMO BOCES \$7,454 for the Central Business Office CoSer in 2006-07. The District operated a comparable program in-house in 2005-06 at a cost of \$4,320, about 40 percent less.

⁵ We audited only those examples in which the cost with BOCES was greater than \$1,000. We determined any example with a cost below that threshold was immaterial.

⁶ See Appendix E for details.

District officials indicated the decision to join was due to dissatisfaction with the vendor who was supplying the services. After joining BOCES in 2006-07, the District's costs increased by over \$3,000.

- Sidney paid DCMO BOCES \$5,993 for claims auditing services as part of the Central Business Office CoSer (619) in 2006-2007. Sidney operated a comparable program in-house in 2005-2006 at a cost of \$1,204 – more than 75 percent less. After joining BOCES in 2006-07, the District's costs (before aid) increased by over \$4,700.

District that Dropped BOCES CoSers – Similarly, we compared BOCES' costs to district costs for districts that discontinued participation in CoSers. We compared the cost of the service in the last year the districts took part in a CoSer to the cost in the following year, when the districts were responsible for providing the services themselves. For the 12 instances in which we could make a comparison, we found eight instances (67 percent) in which BOCES' costs were higher than the districts' cost to perform the services themselves, as shown in Table 3.

BOCES	Total Comparables	BOCES Cost More	BOCES Cost More (Percent)	Total Additional Cost	Cost Increase (Percent)
OCM BOCES	7	4	57%	\$33,474	79%
HFM BOCES	1	1	100%	\$2,340	390%
DCMO BOCES	1	1	100%	\$45,278	110%
OHM BOCES	3	2	67%	\$20,243	57%
Total	12	8	67%	\$101,335	85%

The districts had paid BOCES a total of \$220,772 for these services (before BOCES Aid), which then cost them a total of \$119,437 to perform on their own after they dropped participation in the CoSer. Therefore, the districts realized savings of \$101,335 in the year after discontinuing BOCES' services. Examples of districts' cost savings (before BOCES Aid) from dropping CoSer services include the following:

- The Chittenango Central School District discontinued payroll services (a component of the Central Business Office CoSer) because it was cheaper to for the district to perform the services itself. In the last year that the district

contracted with OCM BOCES for this service, the cost was \$45,813. After taking actions to provide the service itself, the District's cost totaled only \$27,229, a savings of \$18,584.

- The Delhi Central School District discontinued Central Business Office CoSer services because officials believed the District could provide these services more effectively and efficiently in-house. In the last year that the District contracted with DCMO BOCES for these services, the cost was \$86,278. After taking actions to provide the service itself, the District's cost totaled only \$41,000, a savings of about \$45,000.

Therefore, even though BOCES' mission is to provide cost-effective shared services to districts, and even though SED requires BOCES to develop and provide such services on the basis of effectiveness and efficiency, our tests show that BOCES CoSer services often cost more – not less – than the same services if and when districts perform them on their own. In assessing why BOCES' services cost more, we found that three of the four BOCES we audited do not analyze the costs of their services to ensure they are providing districts with competitive pricing.

Performing an annual review of the costs of services, including analyzing the components of costs and adjusting them as necessary, could enable BOCES to offer their services to districts at the most economical price. OHM BOCES was the only BOCES to complete a cost analysis for any of its non-instructional service CoSers. OHM BOCES officials compare quotes from outside vendors to their own cost for each non-instructional service and make cost adjustments, where possible, to price their services economically. OHM BOCES officials told us that, by conducting annual analyses, they have some level of assurance that their prices are competitive and that they are taking advantage of the economies of scale to pass on savings to the districts.

Doing such analyses apparently helped OHM BOCES to keep its costs lower. In examining all 47 comparable services, we found that OHM BOCES' services were more expensive than district-performed services in only three of 11 instances (27 percent). By comparison, services from the other BOCES frequently cost more than district services, as shown in Table 4.

BOCES	Total Comparable Services	BOCES Services Cost More	Annual Cost Analyses Done	BOCES Services Cost More - Percent
OCM BOCES	25	15	No	60%
HFM BOCE	4	4	No	100%
DCMO BOCES	7	6	No	86%
OHM BOCES	11	3	Yes	27%
Total	47	28		60%

In response to our findings, BOCES officials stated that CoSer services provide enhanced service levels. BOCES officials also said they do their best to ensure prices are as low as possible while still covering CoSer and other administrative costs. Although they acknowledged that CoSer non-instructional services can cost more than a district's in-house services, BOCES officials stated that contracting with BOCES for such services often saves districts overhead costs they would incur if they performed the services themselves. However, we found that, for all CoSers in which BOCES' services cost more than district-performed services, overhead represented only 1.6 percent of total expenditures for 2009-2010. This amount is immaterial compared to the higher cost of BOCES' services: overall, this pricing premium is 38 percent more for districts that joined CoSers, and 85 percent more for districts that dropped CoSers.⁷ Further, in most instances, the overhead costs associated with a district's performance of specific non-instructional services would continue to exist, even if BOCES provided the services.⁸

Finally, BOCES officials indicated that it is the districts' responsibility to determine if the cost BOCES is charging is competitive and reasonable. It is correct that districts are free to compare the costs of services, and to choose the lowest-cost alternative, apart from any considerations of BOCES Aid. However, given that BOCES have the resources to lower costs through economies of scale, and the responsibility to provide cost-effective services, all BOCES should make diligent efforts to annually review their prices to make the non-instructional services they offer as affordable as possible.

⁷ Appendices E and F show the percent increase in those instances in which BOCES' services cost more.

⁸ Contracting out one set of services would generally not result in district staff reductions, and related overhead savings, because most district employees have jobs that involve performing more than one specific service.

Impact of BOCES Aid

It is essential that all entities supported by taxpayer dollars provide services in the most economical manner possible. However, in selecting BOCES CoSers to provide non-instructional services, districts often elect to use the more expensive option for providing these services because BOCES Aid often lowers districts' net cost for BOCES' services to less than districts' in-house costs to perform the same services. We found that, in 23 instances⁹ in which BOCES' services cost more than districts' in-house costs for services, total BOCES Aid exceeded the total extra costs of BOCES' services by more than \$122,000. Therefore, the availability of BOCES Aid does not incentivize BOCES to minimize service costs, or districts to demand less expensive choices; instead, BOCES Aid shifts the burden of BOCES extra costs from local taxpayers to State taxpayers.

New York State offers BOCES Aid to districts, in addition to other forms of State aid, as a financial incentive to participate in BOCES' shared services. BOCES receive this additional aid from the State on behalf of participating districts for a variety of approved services costs, administration costs, and capital costs, including facility rental and construction. BOCES forward BOCES Aid to districts for participating in eligible CoSers.

New York State has been spending increasing amounts on BOCES Aid in recent years. For the four-year period ending June 30, 2011, BOCES Aid to the 37 BOCES statewide has increased from \$624.6 million in the 2007-08 fiscal year to \$702.5 million in the 2010-11 fiscal year, an increase of more than \$77 million (12 percent).

New York is the only state in the nation¹⁰ that provides incentive aid for broad categories of shared school district services. In other states, the availability of shared services from Education Service Agencies, such as BOCES, is considered incentive enough for districts to use the services of these agencies if it makes sense to do so for cost saving or other reasons.

⁹ Of the 28 instances in which CoSer services were more expensive than district-provided services, five occurred at districts that were not component districts of these four BOCES. Therefore, BOCES Aid amounts were not available for these services.

¹⁰ In March 2010, the Association of Educational Service Agencies (AESA) informed us that, while certain other states provide blocks of aid or targeted aid, New York State is the only state that provides incentive aid, such as BOCES Aid. AESA is a national organization of educational service agencies with affiliates in 45 states.

We examined the extent to which districts used BOCES' services, even when these services cost more than districts' in-house services to identify factors that may have influenced districts' decisions. Five of the 28 instances in which BOCES' non-instructional services cost more than district-provided services occurred at districts that were not components of the four BOCES. Because BOCES Aid amounts were available for only those districts that were components of the four BOCES we audited, we reviewed cost and BOCES Aid data for the remaining 23 CoSer services. As shown in Table 5, for these 23 examples, districts paid a total of \$171,361¹¹ more for BOCES' services (prior to BOCES Aid) than they would have paid to perform the services on their own. The districts then received \$293,437 in BOCES Aid, lowering the cost of BOCES CoSer services to below the cost of in-house services by a total of \$122,076. For 17 of these 23 services (74 percent), BOCES Aid exceeded the additional amount charged by BOCES.¹²

BOCES	Total Additional Cost of BOCES Services	Amount of BOCES Aid Received	Amount by Which BOCES Aid Exceeded Additional Cost
OCM BOCES	\$78,576	\$180,030	\$101,454
HFM BOCES	\$15,999	\$23,743	\$7,744
DCMO BOCES	\$56,543	\$62,770	\$6,227
OHM BOCES	\$20,243	\$26,894	\$6,651
Total	\$171,361	\$293,437	\$122,076

In 13 of 16 instances in which a district joined a CoSer and the BOCES Aid data was available, the BOCES Aid reduced the cost of BOCES CoSer services to the district to an amount that was below what the district would pay to perform the services on its own. Therefore, when districts receive enough BOCES Aid to cover the additional cost of BOCES' services, districts will often contract for the more expensive BOCES option to provide comparable services. The following examples illustrate this point:

- The Marathon Central School District joined the Central Business Office CoSer for accounts payable services.

¹¹ For all 28 instances, districts paid total additional costs of \$177,622 for BOCES' services. We did not include five examples, totaling \$6,261, because these five districts were not components of the BOCES we audited, and their BOCES Aid data was not available.

¹² See Appendix G for additional data.

District officials stated that they were participating in a CoSer in a cost saving effort. This choice did save the District money: the CoSer services cost \$1,042 more than in-house services, but the District received \$39,144 in BOCES Aid. Thus, BOCES Aid exceeded the additional cost of BOCES' services by \$38,102.

- The Greater Amsterdam Central School District joined the Substitute Services CoSer in 2007-08 at a cost of \$25,715. The year before, the District performed the service in house for \$10,000 less. The year the District joined BOCES it received \$20,911 in BOCES Aid, resulting in BOCES Aid exceeding the increased cost of BOCES' services by \$10,911.
- Cortland paid BOCES \$84,046 for the food service management program in 2009-2010. Although Cortland operated a comparable program in-house in 2008-2009 at a cost of \$57,034, District officials told us they joined the CoSer to manage the service better. District officials also said that they turned to BOCES as a cost savings effort. Even though the cost of CoSer services (before BOCES Aid) was \$27,012 higher than the cost of in-house services, the District received \$54,578 in BOCES Aid for this CoSer. Therefore, BOCES Aid exceeded the extra cost of BOCES' services by \$27,566.

In three of the seven instances¹³ in which a district dropped a CoSer (and BOCES Aid data was available¹⁴), the BOCES Aid amount did not cover the additional cost to the district. This suggests that when districts do not receive enough BOCES Aid to cover the additional cost of BOCES' services, they often will discontinue participation and look for other ways of providing the service. The following examples illustrate this point:

- An official at Skaneateles Central School District indicated that the District decided to discontinue a Telecommunications CoSer and use the State Contract vendor because the District could get expanded service for less money, and would not have to pay BOCES the overhead cost. Further, District officials told us that the

¹³ See Appendix G for all instances in which BOCES services cost more than district-provided services.

¹⁴ BOCES Aid data was not available for Skaneateles CSD, which is a component district in a BOCES we did not audit.

District has a low aid ratio, so it receives little BOCES Aid. According to District officials, these factors forced them to look for more efficient alternatives to CoSer services.

- An official at Delhi Central School District said the District discontinued Central Business Office CoSer payroll and accounts payable services because the CoSer provided only about 20 percent of the needed functions for payroll and accounts payable; therefore, the District could not realize personnel savings. BOCES also charged the District \$86,278 for a service the District could do on its own for \$41,000, an additional cost of \$45,278. BOCES Aid was only \$42,272, less than the additional cost, so District officials decided it was more efficient to perform the services themselves.
- The Wells Central School District discontinued the Substitute Services CoSer. In the last year that the District contracted with BOCES for Substitute Services, it cost \$2,940. The District was able to provide the service in house at a cost of \$600, a savings of \$2,340. The District received only \$1,050 in BOCES Aid, which did not cover the extra cost of CoSer services.

For the four instances in which the BOCES Aid did cover the additional cost, and the districts still decided to drop the CoSer, district officials generally reported that they dropped CoSer services because they were not happy with the type or level of service they were receiving from BOCES. For example, Cortland City School District dropped the Claims Auditing part of the Central Business Office CoSer for which BOCES charged the district \$18,704; the District could perform this service in house for \$5,573. The District had received BOCES Aid of \$13,697 for the service, making the BOCES' service \$566 less expensive than the District-provided service. Despite the cost advantage of obtaining this service from BOCES, however, District officials dropped the service because it was not meeting their needs.

The availability of BOCES Aid provides no incentive to districts to seek competition and to ensure they use the most cost-effective option for delivering services. BOCES officials do not ensure that their services are competitively priced. However, the current system encourages districts to outsource services to BOCES, rather than provide the services more cost-effectively in-house, because BOCES Aid offsets higher BOCES' costs. By

spending more than \$700 million annually to subsidize BOCES' services through BOCES Aid, New York State is ensuring the competitiveness of BOCES' prices at a cost to State taxpayers.

Recommendations

1. BOCES officials should make good faith efforts to ensure that non-instructional services are cost-effective and efficient, and result in total costs (before BOCES Aid) that are lower than the costs districts would pay to provide the services themselves.
2. BOCES officials should conduct cost benefit analyses for each CoSer service they provide to ensure that they are offering services at competitive prices, apart from any consideration of additional BOCES Aid.

APPENDIX A

RESPONSES FROM BOCES OFFICIALS

We sent a draft copy of this global report to officials in the four BOCES we audited. Officials from three BOCES responded to this report and generally disagreed with our audit results. OHM BOCES officials elected not to provide a response to this global report. We included excerpts from the three responses we received in the following comments. An OSC note addressing the comments follows in each topic area.

Our findings at each of the four BOCES, the BOCES' responses to those findings, and OSC comments on the responses are contained in individual letter reports addressed to each BOCES.

Methodology

Delaware-Chenango-Madison-Otsego BOCES (DCMO): “The auditors’ methodology used to obtain the information upon which they based their conclusions did not delve deeply enough into the circumstances to fully understand the situation.”

Hamilton-Fulton-Montgomery BOCES (HFM): “The conclusions of the Comptroller’s auditors relied on methodology that did not look deeply enough into the circumstances to justify those conclusions.”

Onondaga-Cortland-Madison BOCES (OCM): “The efforts of the New York State Comptroller to determine whether BOCES Non-Instructional services save taxpayer dollars prior to incentive aid are laudable. The methodology, however, was limited and does not provide an accurate or comprehensive answer to the question of cost effectiveness.”

OSC Note

We made every effort to ensure that we tested only instances of comparable services. We reviewed every instance in which a district joined or dropped out of every single non-instructional CoSer within each BOCES in an attempt to exclude those instances in which a fair comparison could not be made. Although we did rely on cost amounts supplied by the districts, we also obtained documentation to support the completeness and accuracy of those amounts. We included all significant costs in our comparisons and stand by our methodology. More detail regarding our methodology can be found in Appendix B.

Cost Effectiveness of CoSer Services Prior to Aid

Delaware-Chenango-Madison-Otsego BOCES (DCMO): “The goal of the DCMO BOCES has always been to offer high quality programs to school districts in a cost effective way. We believe that there is significant evidence that this BOCES accomplishes that goal before incentive aid. We will continue to review our programs to ensure that districts receive effective and efficient services.”

Onondaga-Cortland-Madison BOCES (OCM): “If a district finds that it can provide a service less expensively than BOCES, then it will do that.”

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

Hamilton-Fulton-Montgomery BOCES (HFM): “HFM BOCES develops CoSers responsive to districts’ needs, developing a budget for the service that includes the lowest possible expenses (salary, supplies/materials, etc.). Districts then review the budget and determine if the service offered meets a need that they cannot fill, and if the service will actually save the district money. The decision to participate in any service is left to the district. That our districts do participate in our programs is a testimony to the cost effectiveness of what we offer.”

OSC Note

We disagree with the assumption that districts would not choose to participate in a program if it were not cost effective before BOCES Aid. Aid seems to influence a district’s decision greatly.

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

During this audit, we examined the BOCES records and reports for the period July 1, 2006 to June 30, 2010. Our overall goal was to determine if the cost of non-instructional services provided by BOCES to school districts was saving taxpayer dollars prior to factoring in BOCES Aid.

In order to determine if the cost of non-instructional services provided by BOCES to school districts was saving taxpayer dollars prior to factoring in State aid, it was necessary to determine which districts joined or dropped a BOCES service during our scope period to have a cost basis for comparison. In 2009-2010, the four BOCES combined to offer 53 non-instructional CoSers. We evaluated all 53 CoSers throughout our audit period and determined which districts joined or dropped a service and provided the services themselves immediately before or after using the CoSer, in effect giving us comparable cost information. We determined the actual cost (prior to aid) to a district the year the district received service from BOCES for the selected CoSer. In addition, we audited only those examples in which the cost with BOCES was greater than \$1,000. We determined any example with a cost below that threshold to be immaterial. We then contacted those districts for further information.

For the 53 non-instructional CoSers, there were six instances in which districts either did not or could not provide the requested cost information. Therefore, we were able to perform comparisons for the remaining 47 instances.

We inquired with each school district (generally with the head business official) to determine the actual cost the district paid for the similar services either before or after contracting with BOCES when the district provided the service in house. There were instances in which we concluded that fair comparisons were not possible, or that the example should not be included. We excluded those instances from our sample. The reasons for exclusion include the following:

- The districts did not provide the service themselves before joining or after dropping the CoSer and therefore did not have comparable cost figures.
- The districts used another BOCES either before joining or after dropping the CoSer. We did not make cost comparisons among BOCES.
- The districts provided a vastly different level of service as compared to BOCES, making valid comparisons impossible. District officials were generally asked to make a determination as to whether or not they felt the service they received from BOCES was comparable to what they were providing on their own. If the official felt the service was not comparable, we excluded it from our sample.
- If the district official indicated that the reason for joining the CoSer was to achieve segregation of duties for services, as recommended in a past audit, we also excluded the services from our sample.

In certain instances, we used auditor judgment to make a determination about the fairness of a comparison. For example, we found that the substitute calling service when provided by BOCES was generally an automated system; however, when districts performed this service, an employee was generally responsible for making phone calls in the morning to find a substitute. We determined that the service was similar enough to compare costs, regardless of the different methods used to perform the service, because the result was the same.

In instances in which we felt a fair comparison could be made, we requested supporting documentation, if necessary, to gain assurance that the cost figures reported by the districts were complete and accurate. Supporting documentation may have included vendor invoices, employee earnings reports, check histories, appointment letters or board of education meeting minutes stating stipend amounts paid to employees. If benefit or supply costs were a large portion of the cost to run the service at the district level, it was included in the cost to the district.

The BOCES price also includes overhead costs associated with the operation of the CoSer. We found that for all CoSers in which there were instances of BOCES costing more, overhead represented 1.55 percent of total expenditures for 2009-2010. We deemed this percent increase to be immaterial compared to the increased cost percentage¹⁵ with BOCES. We also concluded that, in most instances, the overhead costs associated with a service when provided by the district would exist, even when the service is moved to BOCES, and that any additional costs to the district in performing the service itself are immaterial.

In instances in which a district used an outside vendor before or after joining a CoSer, the costs are comparable as we assume that the vendor, in pricing the service, included all costs necessary to maintain an effective operation of the company.

To gain an understanding of the internal control policies and procedures used in the management of all non-instructional CoSers offered by BOCES, we interviewed BOCES officials.

We inquired about how staffing levels were determined for each CoSer, how prices were determined for each CoSer, and whether or not formal cost analysis were done prior to a district joining the CoSers.

We reviewed minutes of the BOCES Boards' proceedings as well as prior audits to ascertain whether any relevant information relating to our scope was available.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹⁵ Appendices E and F show the percent increase in those instances in which BOCES costs more.

APPENDIX C

DISTRICTS THAT JOINED OR DROPPED NON-INSTRUCTIONAL CoSers¹⁶ 2006-07 THROUGH 2009-10

BOCES	Type of CoSer	Joined	Dropped
OCM	Telecommunications	0	1
OCM, DCMO, OHM	Central Business Office Services	9	5
OCM	Cooperative Personnel	3	1
OCM, HFM, OHM	Substitute Calling Service	14	3
OCM	Regional Information Center	1	0
OCM	Health and Safety Services	0	1
OCM, DCMO, OHM	Food Service Management	5	0
OCM	Cooperative Purchasing	2	0
OHM	Telephone Interconnect	1	0
OHM	Facility Services	0	1
	Total Instances	35	12

¹⁶ This table illustrates the instances in which a cost comparison was possible in all those instances in which district did respond to our request for cost information. There were six instances in which a district either did not or could not provide the requested information. All occurred when a district joined one of the following CoSers; central business office, cooperative purchasing, employee benefits, asset/ records management, or telephone interconnect. In addition, we only audited those examples in which the cost with BOCES was greater than \$1,000. We determined any example with a cost below that threshold to be immaterial. While not included above, we also noted examples of districts joining and dropping non-instructional CoSers for which cost comparisons were not possible. In these cases, either the districts did not provide the service themselves before joining or after dropping the CoSer (so we did not have comparable cost figures), or the district's levels of service were vastly different from those provided by BOCES. In addition, in some instances districts used another BOCES either before joining or after dropping a service. We did not compare costs between one BOCES and another.

APPENDIX D

NON-INSTRUCTIONAL CoSer LIST AND BRIEF DESCRIPTION OF SERVICES

BOCES Name, CoSer Number and Name	Description
OCM BOCES 601: Telecommunications	Requests from districts for telecommunication services are negotiated with multiple vendors on behalf of the districts by BOCES. CoSer 601 specifically provides a Regional Wide Area Network to districts.
OCM BOCES 605: Business Office Support Services	The Central Business Office provides 'back office' support for accounting functions to school districts such as payroll, encumbrance accounting and ledger accounting. Services can be customized to meet specific needs identified by districts.
DCMO BOCES 619: Central Business Office	This service has three different levels. The first provides services related to payroll, staff attendance, purchase orders, accounts payable and accounts receivable, bank reconciliations, claims auditing, and the preparation of various financial reports. Level two provides the cooperative payment of sports officials and the fingerprinting of those officials. Level three provides the coordination of special program finances to maximize State aid for districts.
OHM BOCES 604: Central Business Office	The Central Business Office offers school districts a system for payroll, encumbrance and ledger accounting. The Central Business Office provides school districts with regular bi-weekly payroll including preparation of payroll checks, reconciliation, trust and agency transfer and federal and state reports. Other financial services include trial balance, vendor checks, board reports, warrants, financial statements and check reconciliations.
OCM BOCES 606: Cooperative Personnel	This service is responsible for coordinating the placement of classified advertisements in targeted newspapers and professional/educational websites for actual and/or anticipated vacancies of instructional staff as well as substitutes and coaches.
OCM BOCES 615: Automated Substitute Call-In Service	This service employs technology to provide a qualified substitute for an absence or vacancy by using custom set parameters based on individual district needs. The system combines web-based technology with an interactive voice response telephone system.
HFM BOCES 624: Substitute Services	Uses computerized system to manage a school district's employee absences, substitute selection and notification, substitute assignment and accurate record keeping. Absences can be reported seven days a week, 24 hours a day. The system searches and selects the most qualified substitutes. Substitutes can also set preferences on schools, grade levels, and subjects.

BOCES Name, CoSer Number and Name	Description
OHM BOCES 625: Substitute Teacher Service	Participating school district teachers and administrators can call an automated substitute-calling system 24 hours per day to report absences. The automated system will fill those vacancies. Qualified substitutes are placed in schools based on an approved list of substitutes provided to the service by the school district. Districts receive daily reports of teacher absences and substitute teachers used and weekly listings of substitutes called.
OCM BOCES 620: Regional Information Center	This CoSer provides a multitude of technological services including data warehouse services, student support services (information management), test scoring services, financial management support services, operations department services and technical support services to participating districts.
OCM BOCES 636: Health and Safety Services	This service provides information, leadership, training and technical support to assist districts with the implementation of a safety program, and compliance with applicable State and Federal regulations.
OCM BOCES 644: Food Service Management	Participating districts in this CoSer share the base service of a school lunch director and clerical assistant. Addition services include providing a dietician, aiding in nutritional analysis and menu development and coordination, and the supervision of staff.
DCMO BOCES 632: School Food Management	This service provides centralized school food service management to participating districts.
OHM BOCES 626: Central School Food Management	The School Food Service provides breakfast and lunch programs to component school districts, including management of the entire shared food service program. Specific functions are hiring, training, supervision of staff, menu development, purchase, management and preparation of food.
OCM BOCES 670: Cooperative Purchasing	The coordination of bidding for multiple products including such things as bread, computers, fuels, milk, medical and nursing supplies, and student agendas. In addition, districts can also opt into the energy services coordination part of the CoSer, an energy consortium that coordinates the purchase of natural gas and electricity.
OHM BOCES 610: Telephone Interconnect	The BOCES coordinated Telephone Interconnect Service provides school districts with the ability to link telephone service through a “virtual” telephone network. As a result, schools have the ability to direct inward dial (DID) the Oneida- Herkimer-Madison BOCES and their counterparts in the service with either four-or five-digit dialing.
OHM BOCES 613: Facility Services	The Facilities Services program gives all component schools an opportunity to share maintenance equipment and facilities maintenance. Shared facilities maintenance allows districts to contract with BOCES in specialty areas such as lawn maintenance and/or cooperatively bid maintenance agreements for specialty contracts.

APPENDIX E

BOCES' SERVICES COST MORE: DISTRICTS THAT JOINED NON-INSTRUCTIONAL CoSers

BOCES	CoSer	School District	Service Provided by District ^a	Service Provided by BOCES ^b	Cost Increase with BOCES	Percentage Increase with BOCES
OCM	Central Business Office	Marathon CSD	\$48,477	\$49,519	\$1,042	2%
OCM	Cooperative Personnel	Marcellus CSD	\$8,455	\$13,035	\$4,580	54%
		Cincinnatus CSD	\$1,202	\$4,882	\$3,680	306%
		McGraw CSD	\$957	\$1,518	\$561	59%
OCM	Substitute Calling Service	East Syracuse – Minoa CSD	\$10,000	\$16,677	\$6,677	67%
		Cortland City SD	\$9,724	\$11,050	\$1,326	14%
		DeRuyter CSD	\$1,079	\$1,268	\$189	18%
		Phoenix CSD	\$3,645 ^c	\$4,423	\$778	21%
		Lafayette CSD	\$3,217	\$4,529	\$1,312	41%
OCM	Regional Information Center	Commack UFSD	\$11,909	\$12,214	\$305	3%
OCM	Food Service Management	Cortland City SD	\$57,034	\$84,046	\$27,012	47%
HFM	Substitute Services	Wells CSD	\$550	\$3,089	\$2,539	461%
		Amsterdam SD	\$15,715	\$25,715	\$10,000	64%
		Wheelerville UFSD	\$200	\$1,320	\$1,120	560%

^a Year before joining

^b Year joined

^c The District joined this CoSer mid-year and so the BOCES cost is for only half a year. Therefore, we reduced the cost for the prior year by half to make a fair comparison.

BOCES	CoSer	School District	Service Provided by District ^a	Service Provided by BOCES ^b	Cost Increase with BOCES	Percentage Increase with BOCES
DCMO	Central Business Office	Norwich City SD	\$3,543	\$7,990	\$4,447	119%
		Marcus Whitman CSD	\$4,320	\$7,454	\$3,134	73%
		Oxford Academy CSD	\$1,773	\$3,496	\$1,723	97%
		Sidney CSD	\$1,204	\$5,993	\$4,789	398%
DCMO	School Food Management	Bainbridge-Guilford CSD	\$8,962	\$9,268	\$306	3%
OHM	Substitute Teacher Service	Adirondack CSD	\$8,000	\$8,767	\$767	10%
		Total	\$199,966	\$276,253	\$76,287	38%

^a Year before joining

^b Year joined

APPENDIX F

BOCES' SERVICES COST MORE: DISTRICTS THAT DROPPED NON-INSTRUCTIONAL CoSers

BOCES	CoSer	School District	Service Provided by BOCES ^a	Service Provided by District ^b	Cost Increase with BOCES	Percentage Increase with BOCES
OCM	Telecommunications	Skaneateles CSD	\$9,903	\$8,626	\$1,277	15%
OCM	Central Business Office	Chittenango CSD	\$45,813	\$27,229	\$18,584	68%
		Cortland Enlarged City SD	\$18,704	\$5,573	\$13,131	236%
OCM	Cooperative Personnel	McGraw CSD	\$1,518	\$1,036	\$482	47%
HFM	Substitute Services	Wells CSD	\$2,940	\$600	\$2,340	390%
DCMO	Central Business Office	Delhi CSD	\$86,278	\$41,000	\$45,278	110%
OHM	Central Business Office	Westmoreland CSD	\$36,710	\$20,324	\$16,386	81%
OHM	Facility Services	Sauquoit Valley CSD	\$18,906	\$15,049	\$3,857	26%
		Total	\$220,772	\$119,437	\$101,335	85%
^a Year before dropping ^b Year dropped						

APPENDIX G

BOCES AID RECEIVED IN ALL INSTANCES WHERE BOCES' SERVICES COST MORE

BOCES	School District	Cost: Service Provided by District ^a	Cost: Service Provided by BOCES ^b	Additional Cost	BOCES Aid Amount Received ^a	Amount by Which BOCES Aid Exceeds Additional Cost
JOINED						
OCM	Marathon CSD	\$48,477	\$49,519	\$1,042	\$39,144	\$38,102
OCM	McGraw CSD	\$957	\$1,518	\$561	\$1,237	\$676
OCM	Marcellus CSD	\$8,455	\$13,035	\$4,580	\$9,626	\$5,046
OCM	Cincinnatus CSD	\$1,202	\$4,882	\$3,680	\$3,774	\$94
OCM	DeRuyter CSD	\$1,079	\$1,268	\$189	\$835	\$646
OCM	Phoenix CSD	\$3,645	\$4,423	\$778	N/A	N/A
OCM	Lafayette CSD	\$3,217	\$4,529	\$1,312	\$3,065	\$1,753
OCM	Cortland Enlarged City SD	\$9,724	\$11,050	\$1,326	\$7,702	\$6,376
OCM	East Syracuse-Minoa CSD	\$10,000	\$16,677	\$6,677	\$11,330	\$4,653
OCM	Commack UFSD	\$11,909	\$12,214	\$305	N/A	N/A
OCM	Cortland Enlarged City SD	\$57,034	\$84,046	\$27,012	\$54,578	\$27,566
HFM	Wheelerville CSD	\$200	\$1,320	\$1,120	\$507	-\$613
HFM	Wells CSD	\$550	\$3,089	\$2,539	\$1,274	-\$1,265

^a Year before joining or year after dropping

^b Year joined or year prior to dropping

BOCES	School District	Cost: Service Provided by District ^a	Cost: Service Provided by BOCES ^b	Additional Cost	BOCES Aid Amount Received ^c	Amount by Which BOCES Aid Exceeds Additional Cost
HFM	Greater Amsterdam CSD	\$15,715	\$25,715	\$10,000	\$20,911	\$10,911
DCMO	Oxford Academy CSD	\$1,773	\$3,496	\$1,723	\$2,848	\$1,125
DCMO	Marcus Whitman CSD	\$4,320	\$7,454	\$3,134	N/A	N/A
DCMO	Sidney CSD	\$1,204	\$5,993	\$4,789	\$4,603	-\$186
DCMO	Norwich City SD	\$3,543	\$7,990	\$4,447	\$6,478	\$2,031
DCMO	Bainbridge-Guilford CSD	\$8,962	\$9,268	\$306	\$6,569	\$6,263
OHM	Adirondack CSD	\$8,000	\$8,767	\$767	N/A	N/A
	Sub total	\$199,966	\$276,253	\$71,303^d	\$174,481	\$103,178
DROPPED						
OCM	Skaneateles CSD	\$8,626	\$9,903	\$1,277	N/A	N/A
OCM	Cortland City SD	\$5,573	\$18,704	\$13,131	\$13,697	\$566
OCM	Chittenango CSD	\$27,229	\$45,813	\$18,584	\$33,805	\$15,221
OCM	McGraw CSD	\$1,036	\$1,518	\$482	\$1,237	\$755
HFM	Wells CSD	\$600	\$2,940	\$2,340	\$1,051	-\$1,289
DCMO	Delhi CSD	\$41,000	\$86,278	\$45,278	\$42,272	-\$3,006
OHM	Westmoreland CSD	\$20,324	\$36,710	\$16,386	\$26,894	\$10,508
OHM	Saquoit Valley CSD	\$15,049	\$18,906	\$3,857	\$0	-\$3,857
	Sub total	\$119,437	\$220,772	\$100,058^e	118,956	\$18,898
	Total	\$319,403	\$497,025	\$171,361^f	\$293,437	\$122,076

^a Year before joining or year after dropping

^b Year joined or year prior to dropping

^c N/A dictates an instance where the District was not a component of the corresponding BOCES and therefore aid amounts were not available.

^d This amount excludes the four examples totaling \$4,984 in which aid amounts were not available.

^e This amount excludes the one example totaling \$1,277 in which the aid amount was not available.

^f This amount excludes the five examples totaling \$6,261 in which aid amounts were not available. In total, the additional cost to districts was \$177,622.

APPENDIX H

HOW TO OBTAIN ADDITIONAL COPIES OF THE REPORT

To obtain copies of this report, write or visit our web page:

Office of the State Comptroller
Public Information Office
110 State Street, 15th Floor
Albany, New York 12236
(518) 474-4015
<http://www.osc.state.ny.us/localgov/>

APPENDIX I
OFFICE OF THE STATE COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY

Steven J. Hancox, Deputy Comptroller
Nathalie N. Carey, Assistant Comptroller

LOCAL REGIONAL OFFICE LISTING

BINGHAMTON REGIONAL OFFICE

H. Todd Eames, Chief Examiner
Office of the State Comptroller
State Office Building - Suite 1702
44 Hawley Street
Binghamton, New York 13901-4417
(607) 721-8306 Fax (607) 721-8313
Email: Muni-Binghamton@osc.state.ny.us

Serving: Broome, Chenango, Cortland, Delaware,
Otsego, Schoharie, Sullivan, Tioga, Tompkins Counties

BUFFALO REGIONAL OFFICE

Robert Meller, Chief Examiner
Office of the State Comptroller
295 Main Street, Suite 1032
Buffalo, New York 14203-2510
(716) 847-3647 Fax (716) 847-3643
Email: Muni-Bufferalo@osc.state.ny.us

Serving: Allegany, Cattaraugus, Chautauqua, Erie,
Genesee, Niagara, Orleans, Wyoming Counties

GLENS FALLS REGIONAL OFFICE

Jeffrey P. Leonard, Chief Examiner
Office of the State Comptroller
One Broad Street Plaza
Glens Falls, New York 12801-4396
(518) 793-0057 Fax (518) 793-5797
Email: Muni-GlensFalls@osc.state.ny.us

Serving: Albany, Clinton, Essex, Franklin,
Fulton, Hamilton, Montgomery, Rensselaer,
Saratoga, Schenectady, Warren, Washington Counties

HAUPPAUGE REGIONAL OFFICE

Ira McCracken, Chief Examiner
Office of the State Comptroller
NYS Office Building, Room 3A10
Veterans Memorial Highway
Hauppauge, New York 11788-5533
(631) 952-6534 Fax (631) 952-6530
Email: Muni-Hauppauge@osc.state.ny.us

Serving: Nassau and Suffolk Counties

NEWBURGH REGIONAL OFFICE

Christopher Ellis, Chief Examiner
Office of the State Comptroller
33 Airport Center Drive, Suite 103
New Windsor, New York 12553-4725
(845) 567-0858 Fax (845) 567-0080
Email: Muni-Newburgh@osc.state.ny.us

Serving: Columbia, Dutchess, Greene, Orange,
Putnam, Rockland, Ulster, Westchester Counties

ROCHESTER REGIONAL OFFICE

Edward V. Grant, Jr., Chief Examiner
Office of the State Comptroller
The Powers Building
16 West Main Street – Suite 522
Rochester, New York 14614-1608
(585) 454-2460 Fax (585) 454-3545
Email: Muni-Rochester@osc.state.ny.us

Serving: Cayuga, Chemung, Livingston, Monroe,
Ontario, Schuyler, Seneca, Steuben, Wayne, Yates Counties

SYRACUSE REGIONAL OFFICE

Rebecca Wilcox, Chief Examiner
Office of the State Comptroller
State Office Building, Room 409
333 E. Washington Street
Syracuse, New York 13202-1428
(315) 428-4192 Fax (315) 426-2119
Email: Muni-Syracuse@osc.state.ny.us

Serving: Herkimer, Jefferson, Lewis, Madison,
Oneida, Onondaga, Oswego, St. Lawrence Counties

STATEWIDE AND REGIONAL PROJECTS

Ann C. Singer, Chief Examiner
State Office Building - Suite 1702
44 Hawley Street
Binghamton, New York 13901-4417
(607) 721-8306 Fax (607) 721-8313