

## **BOCES Back-Office Services**

Boards of Cooperative Educational Services (BOCES) were created in 1948, generally to help rural districts improve their educational offerings through shared services. Today there are 37 BOCES, and over the years their mission has expanded to cover suburban and urban educational needs, particularly in the areas of occupational and special education, as well as management and back office functions. The big five cities are not eligible for membership in BOCES (virtually all other districts are members).

BOCES services can be a cost-effective way for school districts to perform operational, management, and other “back-office” functions, and many districts are already using them to do so. If these services are performed within statutory and State Education Department guidelines, most are “aidable.” That is, the district is eligible to receive BOCES aid over and above other forms of general state aid. BOCES aid provides about \$630 million annually, and is paid out as a partial reimbursement to school districts based on their prior year’s expenditures for BOCES services, as well as a sharing ratio which is higher for needier districts, lower for wealthier.

Back-office functions offered by BOCES include payroll administration, human resources and employee benefit coordination, cooperative purchasing coordination, central business operations (including payroll administration and accounting), printing services, state aid planning, textbook and substitute teacher coordination, safety and risk management, and staff development. Some BOCES also provide a negotiation service, which includes collective bargaining and contract and grievance administration. Unfortunately, there is really no statewide data available on which services are shared, by how many districts, and in what dollar amounts.

BOCES do not levy taxes directly, they are supported by payments from school districts. By definition, BOCES services must be shared (that is, they cannot be offered to a single school district), and there are also provisions intended to prevent artificial sharing (i.e., moving regular school district personnel over to BOCES positions in districts and seeking BOCES aid reimbursement). Significantly, the subcontracting of services to a BOCES is not subject to mandatory collective bargaining, as other service transfers usually are.

### **BOCES Aid Dynamics**

While the provision of shared administrative services can be a very positive thing, and often cost savings are available, the dynamics of BOCES aid need to be considered. Shared services provided through BOCES generally receive additional state aid. The formula is complex, but the general idea is that school districts purchasing shared services through BOCES will receive additional state aid. The “BOCES aid” formula includes certain limits and exclusions, but basically reimburses a portion of a school’s approved expenditures for BOCES services, applying an “aid ratio” calculated on the basis of school district wealth (the minimum is 36%, the maximum is 90%).



Surprisingly, the provision of BOCES services in many areas is somewhat grey. We have found conflicting information between what some BOCES providers say they offer, and what the State Education Department says they will cover (and disputes are not an infrequent occurrence).

Although it was always intended as an incentive, BOCES aid can also be said to provide a distortion. That is, for school boards deciding whether to share a service through BOCES, the question is always “Will this service cost us less through a BOCES than providing it directly?” – but that decision cannot help but take into consideration the additional aid that will be received. A BOCES service could actually cost *more* than it would if provided at the individual district level, but to the school district it would still be a good buy because of the additional state aid.

This tension is inherent in any incentive, and it has resulted in changes in recent years. In 1997, for example, cooperatively provided maintenance services were de-authorized as aidable services, including lawn mowing services and heating, ventilation or air conditioning repair or maintenance or trash collection, or other similar services.

### **Local Initiatives**

A local initiative in Nassau County is examining the efficiencies that combining back-office services can provide, either through a BOCES or a new countywide agency. In his annual address, the County Executive has proposed a countywide office that will centralize back office operations for the County’s 56 school districts. This would include school business operations like payroll and purchasing, but also other management services such as legal, collective bargaining assistance, and transportation management. The Nassau initiative is also exploring construction management, technology and communications services, operations and maintenance, and other non-educational service sharing. In the Broome-Tioga BOCES, a majority of districts are already sharing business office functions, and the Sullivan BOCES is currently promoting the idea of a central business office for its school districts.

### **Non-Public School Transportation**

One area where BOCES-wide services may be able to reduce expenditures significantly is in school transportation. School districts which provide transportation to public school students must also provide it to their residents which attend private schools, whether those schools are within their boundaries or not. As a result, school district buses going to non-public schools often cross district lines, and multiple school districts separately plan and provide transportation to the same non-public schools. One BOCES estimated that they could save 5% (\$1 million over 25 districts in that example) by coordinating transportation and letting a single contract. Pilot projects could be used to examine whether significant savings could be achieved by centralizing non-public transportation through BOCES. Transportation costs for non-public students can often be much higher, in part because of the cross-district aspect of the transportation. In Nassau County, for example, non-public transportation costs per pupil are two to three times more than for public school pupils.



## History of BOCES

Boards of Cooperative Educational Services (BOCES) were originally created to address rural school districts educational needs by providing a regional shared services mechanism. Technically, BOCES are “supervisory districts” whose chief executive officer is the District Superintendents (often referred to informally by the initials DS). The DS provides a link to the State Education Department, because the DS is a dual employee of the State and BOCES. Over the years, BOCES have expanded to offer services that supplement those of suburban and urban school districts as well, and have evolved into a mechanism which equalizes educational opportunities across districts.

During the 1940s there were more than 4,000 small schools. Many rural schools lacked sufficient enrollment and fiscal resources to provide the variety of programs available to students in city and suburban schools. In 1948 legislation was passed authorizing the establishment of a Board of Cooperative Educational Services (BOCES) to provide shared educational services in a supervisory district. Initially services offered by BOCES were limited primarily to shared itinerant teachers for rural districts in areas such as art, music, and driver education. In the 1950s BOCES membership was expanded to include larger, independent districts. This expansion ensured growth, and by 1960 82 BOCES had been created.

School districts in cities, except those over 125,000 in population, were permitted to join BOCES in 1963. With this growth, the nature of services provided began to change from shared itinerant teachers to include services for students with disabilities, and career and technical education services. Growth in programs that brought students together from a variety of schools to one location was limited, however, by the inability of a BOCES to own facilities.

Legislation in 1967 allowed BOCES to construct and own facilities with voter approval and to use the Dormitory Authority of the State of New York to finance facilities. As a result, BOCES services began to expand, as BOCES constructed buildings with classrooms and shops. Subsequent legislation authorized BOCES to provide data processing services and districts began requesting other services such as computer-assisted instructional services, planning and staff development services, and programs for adults. BOCES services continued to grow through the 1970s, and by 1980 most school districts in the state were members. BOCES were given the authority to operate summer school and alternative high school programs in the early 1980s.

There are currently 37 supervisory districts in New York State with a BOCES located in each. All but nine of the operating school districts in the state are members of a BOCES. Of the nine, five (Buffalo, New York City, Rochester, Syracuse, and Yonkers) are not eligible to join BOCES, as they are big city districts (those in cities with a population over 125,000).

