

More than Career Education: A BOCES Primer

Christopher Glenn Hayes, Cornell University | December 2013



SUMMARY: *New York State Boards of Cooperative Educational Services (BOCES) are the primary way schools share programs, creating career and special education opportunities along with saving costs. However, they are largely unknown or misunderstood by the general public, despite being governed by members of local school boards. This brief describes BOCES structure and highlights the growth in noninstructional programs such as business office services.*

45 states have some type of Educational Service Agency (ESA), and BOCES was among the first to be formed in 1948. It is recognized as one of the top ESAs in the US for organization and service quality.

- 37 BOCES serve all but 9 of NYS's 721 districts
- Each BOCES contains 8-56 school districts
- Budgets are between \$18m and \$297m
- "Big 5" schools (Syracuse, Rochester, Buffalo, Yonkers, NYC) are not allowed to join

Services Provided

BOCES provide a variety of instructional and noninstructional shared services (see below). The largest portion is special education. As school districts are encouraged to operate their own classes for students who have mild conditions, BOCES special education classes tend to have students with severe conditions.

The second-largest category and fastest-growing category is noninstructional support, including business office and computer services.

Governing Structure

Each BOCES is governed by a Board of Education of 5-15 members, each a resident of a different component school district. Members are elected by component districts' Boards of Education, 1 vote per district. BOCES Boards appoint a District Superintendent who facilitates communication between the State and local districts, trains local boards, develops initiatives and policy, and assists in reorganization and consolidation studies. BOCES Boards also create budgets, which must be approved by a majority of component districts.

Budget Breakdown

BOCES expenditures are divided into:

- **Service:** The direct cost of providing shared services requested by school districts
- **Capital:** Building purchase, lease, and maintenance
- **Administration:** Overhead, including District Superintendent office, business office, and benefits

Once a school district enters a BOCES, it is locked into paying BOCES capital and administration costs forever. However, districts only pay service costs for services to which they subscribe.

Administrative costs per pupil vary widely across different BOCES, depending on geography and size of the districts covered. However, the average cost per pupil actually decreased in 2009-2010.

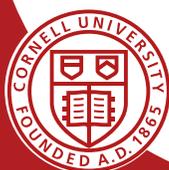
How Districts Subscribe to Services

Most services are provided through Cooperative Service Agreements (CoSers), one-year, fee-for-service contracts between a district and a BOCES.

- CoSers must be used by at least 2 districts
- Districts must be involved in planning and operation of services
- Must have a benefit of improved cost or service
- Must be approved by the Commissioner of Education

Districts may contract with any BOCES unit. Educational nonprofits, municipalities, and the "Big 5" schools may contract with BOCES for limited services.

Districts are charged based on a "costing methodology" approved annually by at least ¾s of participating districts. Because participation rates may vary depending on changing student and district needs, methodology must include the unit type (per day, per pupil, per Full Time Equivalent Staff, per activity performed, pro-rata, etc.) and the way BOCES will estimate how many units the total expense will be divided by (participation rate of the current year, the previous year, or a multi-year average). Unspent funds are refunded back to school



The Shared Services project is directed by John Sipple and Mildred Warner of Cornell University and funded by the US Department of Agriculture Hatch and Smith Lever grant programs, which are administered by the NYS Agricultural Experiment Station at Cornell University. Additional information can be found at: www.mildredwarner.org/restructuring.

districts and deficits must be paid by school districts by the end of the next fiscal year.

BOCES Aid

The State incentivizes BOCES services through partial refunds with the following limitations:

- Special Education, covered by a different type of aid
- “Maintenance or municipal services,” not aided, to encourage competition with private suppliers
- Salaries for administrative employees above \$30,000

This incentive aid is calculated by multiplying eligible expenses by the higher of two ratios, found in the New York State Aid Handbook:

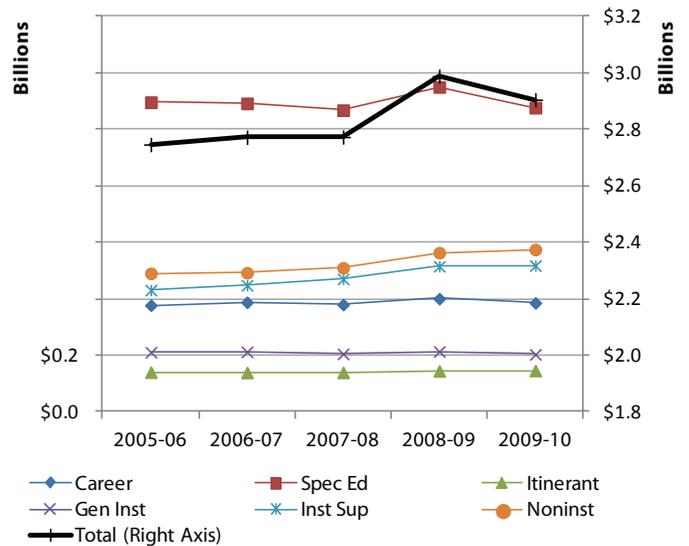
- A millage ratio based on tax rate, with higher tax rates receiving less aid (1 - .008/tax rate), or
- An aid ratio based on total assessed value of district per student, with higher value per student districts receiving less aid (1 - .51*(Value/RWADA)/639,200), with a maximum of 90% and a minimum of 36%.

Effectively, the first ratio favors richer schools with high assessments and low property tax rates, and the second favors poorer schools with low assessments. This may incentivize richer schools to join into contracts, effectively lowering costs for everyone through economies of scale.

Aid can be up to 90% of BOCES costs, but only about 25% of BOCES total expenditures are aided. The rest of the money largely comes from school districts, and a small amount from federal sources. BOCES Aid usually accounts for only 2-3% of a school’s budget.

BOCES expenses were steady until 2008-09, when schools looked to consolidate programs in face of the recession.

Statewide Aggregate BOCES Service Expenditures (2012\$)



Source: Based on Financial and statistical outcomes of the Boards of Cooperative Educational Services: Chapter 602 report for the 2009-2010, 2010-2011, 2011-2012 school years

BOCES Service Categories (2012)

Category	Examples	% of Total Service Spending (Statewide)
Special Education	K-12 Physical impaired or learning disabled classes or staff assistance	37.1%
Non-Instructional Support	Cooperative purchasing, Medicaid processing, HR and recruitment, Accounts payable, Labor negotiation, Transportation, Food service, Business office support	19.8%
Instructional Support	Curriculum development, Teacher in-service and training, School nurse, OT	17.8%
Career Education	Adult & Teenager Agriculture, Automotive, Construction, Electronics, Health, Home Economics, Metalworking, High-tech classes	13.3%
General Education	PreK-12 Music, Arts, Gifted, Foreign Language, Remedial classes	7.0%
Itinerant Services	Itinerant teacher or assistant	5.0%

Source: (Based on Financial and statistical outcomes of the Boards of Cooperative Educational Services: Chapter 602 report for the 2011-2012 school years.)

References

2009-2010 State aid handbook: State formula aids and entitlements for schools in New York State as amended by chapters of the laws of 2009, (2009)

Establishment of boards of cooperative educational services pending the creation of intermediate districts, §1950 (2012)

Baldwin, J., Carmody, C., & Talbott, B. L. (2010). *Improving American education through educational service agencies* (White Paper prepared for the US Department of Education). Arlington, VA: Association of Educational Service Agencies.

Baumol, W. J. (1993). *Health care, education and the cost disease: A looming crisis for public choice*. *Public Choice*, 77(1), 17-28.

Kachris, P. T. (1987). *A history of the district superintendency and BOCES, 1910-1982*. Syracuse University).

New York State. Department of Education. (2010, 2011, 2012). *Financial and statistical outcomes of the Boards of Cooperative Educational Services: Chapter 602 report for the 2009-2010, 2010-2011, 2011-2012 school years*. Albany, NY: New York State, Department of Education.