

Feasibility of Creating a Central Business Office for the Sullivan County BOCES Component Districts

November 2009

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Prepared for:
Sullivan County BOCES

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SUMMARY

The Center for Governmental Research (CGR) was engaged by the Sullivan County BOCES to identify the potential benefits of creating a central business office (CBO) operation for its component school districts. Specifically, the Sullivan County BOCES requested an evaluation and assessment of current business office functions to determine whether there are cost savings opportunities and efficiencies that could be obtained by combining district business office functions.

CGR collected baseline data of current business office operations by administering staff questionnaires to determine how much time is spent on each business function and by conducting two site visits with each component district to interview district personnel and view operations. Interviews were also conducted with seven existing CBO operations in New York State to identify factors that should be considered in order to create a successful and cost effective CBO at Sullivan BOCES that would meet the needs of the participating districts.

Seven of the eight Sullivan BOCES component districts agreed to participate in the study. When CGR traveled to each district and interviewed district staff, there was a wide range of interest in participating in and contributing to a CBO. As could be expected, most staff were concerned about the impact creating a CBO would have on services to their districts and what a CBO would mean for their particular jobs. A few districts identified significant barriers to their participation (for example, reluctance to switch finance system software). Other districts were more supportive of the concept and identified options to consider for staffing and locating the office.

CGR approached this project with the assumption that the report did not have to address whether or not the concept of a CBO will work in Sullivan BOCES. CBOs have been providing a range of services to both large and

small districts across the state for more than a decade and Sullivan superintendents have seen presentations from CBOs that are working within the region. The New York State Education Department (NYSED) provided CGR with a list which identified fourteen CBO operations across the state, and CGR identified several additional CBO operations that have started within the past few years.

The questions CGR focused on as we conducted this study were:

1. Given the range in size and scope of the districts participating in this study, what factors need to be considered in developing a CBO model that will meet the needs of the districts?
2. What would a cost effective CBO model look like for Sullivan BOCES? What services would be provided, how would it be staffed, where would it be located and what would it cost, compared to current operations?
3. What implementation issues need to be addressed in moving from current operations to the proposed model?

Key Existing Factors to be Considered

Section 2 of the report presents the information obtained from CGR's comprehensive assessment of the current business operations in each district, based upon district staff responses to the time they spent on various business operations, our site visits, and staff interviews.

This data demonstrates an interesting challenge presented by the configuration of districts who might initially participate in the CBO. While the districts range in size from 262 students to 3,370¹ students, each district provides the full range of business operations. The total number of students served by these seven districts is 9,280. By comparison, the number of students in districts served by various CBOs across the state range from 868 to 21,000. Only five current CBOs serve less than 10,000 students in total. Accordingly, CGR incorporated scale and geographic dispersion factors in developing the Sullivan CBO model.

Although assessment of CBO alternatives needs to account for differences among districts such as operating systems, service level expectations and business office functions, in general, as would be expected, there is a high degree of commonality in conducting and processing routine business operations. For example, every business office processes payroll, tracks time, processes purchase orders, processes checks, tracks and audits

¹ 2008-09 BEDS information from New York State Education Department

expenditures (local, state and federal programs), etc. We observed that across the districts there are variations in how these processes are carried out, but overcoming these differences in a transition to a CBO operation is not insurmountable, as other successful CBOs have demonstrated.

In every district, the business official plays a key role in assisting the superintendent with higher order business operations support, such as developing and tracking district budgets and providing human resource support services. While a few CBOs provide districts with these higher level support services, CGR found that the most prevalent operating practice in the CBOs we interviewed is to have districts retain business officials at the local level with the CBO providing core business processing functions. CGR followed this principle in developing a CBO model for Sullivan BOCES.

In summary, after considering the above factors, CGR did not identify any unique circumstances within the Sullivan BOCES districts that would prevent creation of a CBO operation that could provide a full range of core business functions to the districts.

Developing a CBO Model

In Section 3, we present the findings from our interviews with seven different working CBOs in New York State. These seven CBO's were chosen because they most closely match the variables in Sullivan BOCES in terms of size and geography. These existing CBOs provided the following background for understanding several key variables that CGR incorporated into developing its model for the Sullivan BOCES:

- CBOs start with a vision for providing certain core services and then evolve over time in terms of size, complexity, level of services provided and participating districts;
- CBOs do not start out as a full-service operation intended to provide a full-service alternative to existing business operations at the district level. Rather, CBOs to date have focused primarily on providing a suite of core business operations functions (e.g. payroll, purchasing, accounts payable, etc.) This is what CGR will refer to as a *comprehensive CBO*. The concept of a complete, full-service CBO to manage all business related functions, including transportation, school lunch and facilities management operations, is only now being explored as a logical extension of traditional comprehensive CBO functions. The state has recently funded a study in the Cayuga-Onondaga BOCES specifically to explore creating a complete, full service CBO.
- There is a lack of rigorous cost/benefit assessments of current CBO operations – most of the benefits identified focus on service

improvements, the benefits associated with staff reduction at the district level, protection against abuse through improved internal controls and segregation of duties, the local property tax benefits from shifts to BOCES funding, and the generalized efficiency benefits inherent in reducing obvious duplication of functions among multiple districts.

In considering how these variables should be incorporated into this report for the Sullivan BOCES, it was suggested within the interview process that the most useful outcome from this report would be to identify what a comprehensive CBO would look like that provides a suite of core business functions that served all seven districts. While it might not be possible or practical to move immediately to the comprehensive CBO, defining the model would allow districts to see what the “end-game” would be. Starting with a comprehensive model provides the districts with an understanding of what a CBO might look like if the districts were to contract with BOCES for a suite of core business functions.

This approach provides a vision of the end result and a framework for how the model would be staffed, what services it would provide and what it would cost. This can be compared to current operational costs to identify the cost/benefit potential of taking the steps toward a comprehensive CBO model. Taking this perspective may help districts commit to the journey if the “end game” benefits are clearly defined, large and achievable, even though start-up and interim CBO operations would understandably be smaller.

With that as background, CGR developed a proposed CBO model in Section 4 that assumes full participation of the seven districts. In addition to the detailed outline of the proposed CBO model, we also describe several incremental steps toward the proposed model that could be considered as interim options for sub-groups of districts. The savings from the interim options will depend on what districts participate and when.

To develop the proposed CBO model, CGR needed to make a distinction between the number of actual staff in positions assigned to business office operations and the total time spent on business functions. This is because, particularly in the smaller districts, staff not budgeted in the business office often assist with business functions. As identified by the survey and our interviews, a total of 51 different staff across the districts spend the equivalent of 5% or more of their time on business functions². The total Full-Time Equivalent (FTE) time spent on business functions is 36.9³

² This includes both full-time employees and part-time/hourly/seasonal and contract staff such as internal claims auditors, tax collectors, etc. where identified.

³ Rounded up from 36.93 as shown in the detailed tables.

FTE's. However, the actual positions counted by CGR as core business office staff totaled 36 positions (35 actual staffed positions and 1 vacant position).

To summarize, there are currently 35 core business office employees but 36.9 FTE of business function work being done. This is explained by the fact that the additional work is carried out by 16 other persons (other district staff, seasonal, etc.) whom CGR did not count as core business office staff.

CGR believes that the comprehensive CBO model would function well if Sullivan BOCES CBO were staffed with 16 full time business office positions, while at the same time leaving 17 full time business office positions in the districts, for a total of 33 core business staff. This would represent an initial savings of 3 full time positions, by not filling the one current vacancy and not replacing two employees who are expected to retire in the next year⁴.

Over time, we believe additional full time positions could be reduced as districts become more comfortable with having the CBO provide higher level business and budget services that in the initial model are to be provided by business officials remaining in the districts. If the Sullivan BOCES model follows the experience in other CBOs, as attrition occurs in districts, they will request more services from the CBO and not fill vacant positions at the district level.

In conclusion, it appears to CGR that there are a number of different options available for districts to reduce costs by creating a CBO and reducing the number of positions as vacancies are created through attrition. CBOs work across the state, and a Sullivan BOCES CBO would clearly provide staffing efficiencies that will help districts keep administrative costs as low as possible without reducing the high quality educational services being provided by the districts to their students

⁴ The 16 other persons currently assisting with business functions would remain in the districts. Depending on how work is shifted to the CBO, this might free up time for other non-business office work

Acknowledgements

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We are also grateful to the staff of existing Central Business Offices in the state who graciously gave up their time and provided valuable insight.

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Staff Team

Charles Zettek, Jr., Director of Government Management Services, served as project director for this study.

Jaime Saunders, Senior Research Associate, served as project manager. Michael Silva, Research Assistant provided valuable support in developing the charts and tables for the report.

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SECTION 1: BACKGROUND AND METHODOLOGY

Background and Context

The environment in which New York State school districts operate has fundamentally changed. Both the current recession and state fiscal crisis threaten state aid for public education. As Wall Street was contributing more than one-fifth of the state's tax revenue, the financial sector's troubles puts the state's solvency at risk. Federal stimulus dollars filled what would have been an even larger hole in the current state budget; however when this money dries up in the 2011-12 budget year the funding gap is forecast to rise to \$13 billion and then \$18 billion the year following. Districts face the daunting challenge of what to do when the reprieve from the stimulus educational funds runs out on July 1, 2011.

It will be very difficult for NYS to address its problems without shifting the burden to localities, particularly school districts. Of the \$79 billion in the enacted state funds budget for 2009-10, \$21 billion was allocated to school aid, more than a quarter of the total. After the significant increase in taxes and fees enacted to avoid serious cuts—in fact, to increase total aid—in 2009-10, it seems unlikely that education aid will avoid cuts as the fiscal situation deteriorates in coming years.⁵

Adding to this fiscal strain, costs of operating school districts continue to increase, and districts face growing demands for more reporting and accountability measures against new federal and state standards. Faced with these realities district leaders are constantly looking at ways to operate as efficiently as possible and to reduce costs to local taxpayers, while ensuring top quality instructional services.

In addition to having to address these fiscal concerns, the Sullivan County districts are faced with declining enrollment. Since 2000-01, the seven districts in the CBO study have seen their enrollments decline collectively by 8%. Four of the districts have experienced declines ranging from 11% to 21%. Fallsburg is the only district to experience an increase in enrollment (7%) (Table 1).

⁵ State of New York Division of the Budget

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	% Change 2000-01 to 2008-09
Roscoe	314	322	300	295	297	292	282	252	262	-17%
Livingston Manor	701	681	662	656	647	614	590	566	576	-18%
Eldred	759	734	725	733	725	706	686	711	714	-6%
Sullivan West	1,672	1,642	1,617	1,568	1,507	1,468	1,431	1,352	1,328	-21%
Fallsburg	1,348	1,342	1,404	1,450	1,386	1,415	1,491	1,466	1,441	7%
Liberty	1,787	1,834	1,923	1,882	1,845	1,701	1,668	1,583	1,589	-11%
Monticello	3,467	3,561	3,592	3,523	3,539	3,491	3,430	3,450	3,370	-3%
Total	10,048	10,116	10,223	10,107	9,946	9,687	9,578	9,380	9,280	-8%

Source: National Center for Education Statistics, Common Core of Data (CCD), New York State Education Department (NYSED), and Sullivan BOCES.

In this context, the Sullivan County BOCES and seven of its component districts engaged in this project to explore the feasibility of achieving efficiencies and reduced local costs in the provision of business office functions across districts, while at the same time increasing the overall effectiveness, consistency and quality of these services. Using funds from a grant awarded by the state,⁶ BOCES engaged The Center for Governmental Research (CGR) to conduct an assessment of current business operations to determine whether they could be provided more efficiently and cost effectively.

The seven participating districts in this study include: Roscoe, Livingston Manor, Eldred, Sullivan West, Fallsburg, Liberty, and Monticello. The districts range in size from approximately 260 students and a budget of about \$7.3 million to approximately 3,300 students and a budget of \$74 million (Table 2).

⁶ Grant funding received through the New York State Department of State, under the Local Government Efficiency (LGE) Grant Program.

	Enrollment 2008-09	No. District Staff	Total Budget	Business Office Functions Staffing – FTE Time
Roscoe	262	52	\$7,315,421	2.35
Livingston Manor	576	102	\$14,309,044	3.21
Eldred	714	109	\$16,559,859	3.51
Sullivan West	1,328	206	\$33,317,031	6.34
Fallsburg	1,441	233	\$36,034,000	5.49
Liberty	1,589	305	\$36,654,645	6.79
Monticello	3,370	668	\$74,136,760	9.25
Total Districts	9,280	1,677	\$218,326,760	36.93

Sources: Enrollment and total budget provided by Sullivan County BOCES. District staff total from National Center for Education Statistics for 2006-07.

Each district has a business office with staff dedicated to performing district business functions. In every district, however, the core business staffs are supplemented by other district staff. Thus, to conduct this study, CGR identified the total time devoted to business functions by all staff in each district, as measured by full-time equivalents (FTE) staff. Table 2 shows the FTE in each district devoted to business functions.⁷

The amount of FTE time involved in carrying out business office functions ranges from as few as 2.35 in one district to as many as 9.25, with a median of 5.28 full-time-equivalent (FTE) positions, and three of the seven districts having less than 4 FTEs time engaged in business office tasks.

The Central Business Office Concept

Rather than pursuing further staff reductions or efficiencies within individual districts, the Sullivan County BOCES and its seven participating component districts have chosen to explore the potential of a regional, cross-district solution. As demonstrated across the state by existing CBOs, selected business functions that are required and must be conducted on behalf of all districts can be provided more efficiently, more consistently, and ultimately with fewer staff, at less costs to each district

⁷ Business functions include a wide range of responsibilities. These are identified in detail in Section 2.

and collectively across the region, by providing them in a regional, central business office (CBO).

The concept of a Central Business Office falls within a full spectrum of service groupings and levels of implementation. It should be understood that the concept of a CBO does not necessitate the full combination of all business office staff and functions into one central structure. The CBO is best viewed as a service-provider from which the component districts are able to select the services that best serve their needs. In this manner, the district is a “customer” who can remove their services if their needs are not being properly met. The customer can also elect one service or multiple services based on need.

For the purpose of this study, CGR presents information for a proposed CBO model with all seven districts participating and receiving a suite of core business functions. Approaching the model in this way provides a clear picture of ultimate savings and efficiencies in a regional model. We understand the participating districts may elect to move to this model incrementally. CGR is not in the position to define the incremental steps to be taken as these will be based upon decisions made by each district. However, we provide several incremental pathways toward the proposed CBO model for consideration.

It is our intention that the information provided in this report will provide the data and structured framework that will allow the districts to move to a CBO. By describing our methodology, districts can select a wide range of alternative pathways to achieve a full size or smaller CBO that best fits the priorities of the districts.

Issues Potentially Addressed by a CBO

In addition to cost and efficiency considerations, district officials within the region cited a number of other factors that contributed to their desire to undertake this study, and that they hope would be at least partially addressed by a potential CBO. Interviews with existing CBOs and districts currently participating in a CBO helped to identify further benefits for consideration. These include, in no particular order:

- **Segregation of duties and improved internal controls.** With a full team of staff to work with, proper processes and systems can be implemented to comply more fully with GASB (Governmental Accounting Standards Board) standards, particularly segregation of duties. This is an especially difficult and on-going challenge in the smaller districts. Additionally, with prior district accounting scandals in the state and increased accounting standards and audit scrutiny, some local school district officials see the potential value of having in place a more consistent approach to accounting practices, with oversight and an

accountability process offered at “arms length” from individual districts. Some believe that such an approach would help ensure that best practices and effective control and monitoring mechanisms are in place, thereby helping protect taxpayers against financial problems occurring within individual districts.

- **Access to a high caliber of professional skills.** Some districts recognized that they have not always placed sufficient emphasis on strategic approaches to budgeting and long-range financial planning, and some districts have not had the resources to hire high-level administrators with financial planning skills, business management oversight, and strategic fiscal and budget planning. By pooling resources, districts are able to have increased access to various skill sets and skill levels of professional staff within a CBO.
- **A “deeper bench” to provide consistent service to meet district needs despite staff turnover.** Few districts have sufficient critical mass in their business office functions to provide adequate backup during staff leaves of absence or turnover. Several Sullivan business managers and superintendents shared stories of being pulled into time consuming tasks such as processing payroll to fill in during staff shortages. A CBO is viewed as a viable alternative that provides better sharing of expertise and cross-training among staff to allow for immediate filling in for the area in need. The CBO model provides business functions consistently with no interruption in delivery of services as a result of staff turnover. By having more staff to pull from to provide coverage, there is less potential for services to “fall through the cracks,” be provided in an inferior manner, or to pull overqualified staff from their other management obligations.
- **Improved job satisfaction.** During our interviews several district staff voiced their inability to take vacations for more than a week because payroll always needed to be done or the purchases needed to be made and there was insufficient back up to carry out these tasks in their absence. The CBO would provide a larger pool of staff trained in multiple functional areas to ensure business office staff members are able to take vacations and personal leave without the limitations currently felt at the district level. The CBO model may also provide staff with options for greater professional development through reduced isolation and opportunities to learn other functional areas.
- **Viable option to address upcoming staff turnover.** There have been several recent personnel changes in business offices throughout several of the region’s districts, with other changes anticipated in the near future. Thus the timing was viewed as being right for undertaking an objective assessment of possible options that might benefit the region

and provide a viable option for individual districts to turn to in the future.

- **Free up district resources to focus on neglected areas of operations.** By transferring key business functions to the CBO, staff time will be freed up at the district level to allow staff to focus on areas often overridden by the demands of daily business operations.

Methodology

To determine whether a central business office (CBO) would be feasible and able to provide business functions more efficiently, consistently and at less costs to districts than now occurs in Sullivan County, CGR carried out the following tasks, beginning in April 2009:

Phase 1: Current Operations Data Collection

CGR used a combination of interviews and questionnaires with members of the participating districts' business staff to identify actual tasks, procedures, personnel, costs, performance measures and intra- and inter-district relationships to identify current business operations. CGR developed a matrix that identifies areas of commonality and/or duplication that could be the framework for a consolidated approach to business operations.

Based on our initial data review, CGR determined that a very key factor of success for a CBO would be the scale inherent in the number and size of districts who participate. To explore the concept of the minimal scale required to initially launch a central business office, CGR conducted interviews with seven existing CBOs in New York State. The CBO interviews focused on the successes and challenges of implementing the CBO model, especially noting the number of staff, participating districts, and enrollment size that were part of the initial CBO launch.

Phase 2: Comparison of Current Model to CBO Model

With the results from Phase 1, CGR compared current operations to a proposed central business office (CBO) that could provide common operations for participating districts. The result of this work element is a mock up of a model "what-if" scenario that outlines, in reasonable detail, a centralized CBO solution for providing business operations.

Phase 3: Evaluating Impact for Each District

CGR used the results of the modeling exercise to outline the potential changes for each district in a CBO model. This includes potential changes in staffing and responsibilities for specific tasks, options for achieving change without threat to existing staff, changes in location of operations, changes in software systems, and changes in costs and revenues over time. CGR worked with district and BOCES staff to identify personnel cross-

walk issues that need to be addressed in moving to a CBO model, logistics and costs of equipment and facilities needed for a central CBO and district-by-district cost and savings projections based upon the impact of BOCES aid.

SECTION 2: CURRENT BUSINESS OPERATIONS

CGR collected baseline data of current business office operations in the seven districts by: administering staff surveys to identify each person in each district who is currently working on business office functions and to determine how much time is spent on each function; conducting two site visits to each component district to interview district personnel; and by conducting a group meeting with district superintendents to review preliminary findings.⁸

Current Configuration of Business Office Functions

The following section summarizes the data for the seven districts and the districts as a whole. Detailed baseline data for each participating district is provided in Appendix A.

Seven District Overview

According to the surveys completed by staff in each district, a total of 41.7 FTE staff time is spent on the business functions identified in the survey. A number of staff also provide non-business functions, for example, a district receptionist who does tax collection or a superintendent's secretary who provides human resources support. As shown in Table 5 (line 36), by removing non-business functions from the total, the seven districts have 36.9 FTE time dedicated to business office functions.⁹ This 36.9 FTE of work is spread across a total of 51 separate individuals¹⁰ who spend at least some portion of their time carrying out a wide range of functions considered to be related to their district's business office operations (Table 3).¹¹ Collectively, the seven districts spend \$2.7 million on salaries and benefits for the 36.9 FTE time identified with providing business functions

⁸ Although our intent with the staff surveys and interviews was to provide a uniform means to assess current operations, the possibility exists that school district staff interpreted the instructions and categories differently. We tried to minimize this variance through the interview and follow-up process.

⁹ This does not include a vacant position in Liberty. The vacancy in Liberty will be filled following the retirement of the Interim Assistant Superintendent and promotion of the current Treasurer.

¹⁰ A few districts engage the same staff person for contracted functions such as internal claims auditing. This person is counted separately for each district.

¹¹ Staff totals include seasonal and contracted staff for tax collection and internal claims auditing for each district. When possible, CGR adjusted staff hours of salaried staff to reflect actual hours worked in a week versus compensated hours.

only. These FTEs support budgets totaling over \$218 million across all 7 districts.¹²

	# of Staff Reporting
Roscoe	4
Livingston Manor	6
Eldred	6
Sullivan West	8
Fallsburg	8
Liberty	8
Monticello	11
Total	51

Notes: Inc. tax collectors and internal claims auditors. Liberty does not include retiring Interim Asst. Superintendent or vacant position.
Source: CGR calculated based on staff time surveys.

Of the 51 separate individuals engaged in business operations, the seven districts rely on a core of 35 individuals to accomplish business functions, with the remaining 16 individuals providing supplemental support (Table 4). In developing the proposed CBO model in Section 4, CGR included the vacant position in Liberty to bring the identified core to 36 individuals.

	Staff Reporting
Roscoe	2
Livingston Manor	3
Eldred	3
Sullivan West	6
Fallsburg	5
Liberty	6
Monticello	10
Total	35
Total Core Staff Including Vacancy in Liberty	36

Notes: Core staff are located in the business offices and report the majority of time on business tasks. Source: Calculated by CGR using staff surveys.

¹² Salary and benefit information calculated by CGR based on information provided by the districts. The \$2.7 million is based on actual salaries and benefits prorated on a person-by-person basis based on the percent of his/her time devoted to business functions.

**Table 5: Sullivan County
Summary of FTE's by Business Functional Area**

		Roscoe	Livingston Manor	Eldred	Sullivan West	Fallsburg	Liberty	Monticello	Total Districts
		FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
1	Payroll	0.24	0.80	0.58	1.03	0.75	1.05	1.70	6.15
2	Purchasing	0.23	0.25	0.40	0.60	0.25	0.55	0.85	3.13
3	General Accounting	0.12	0.22	0.20	0.45	0.35	0.34	0.51	2.19
4	Accounts Payable	0.27	0.41	0.45	0.51	0.70	0.63	0.90	3.87
5	Accounts Receivable	0.04	0.02	0.07	0.10	0.10	0.00	0.05	0.38
6	Cash Management	0.12	0.02	0.02	0.11	0.30	0.03	0.10	0.70
7	Benefits	0.04	0.09	0.08	0.45	0.20	0.30	0.30	1.46
8	Budget Development	0.17	0.20	0.05	0.23	0.15	0.40	0.17	1.37
9	Budget Monitoring	0.06	0.05	0.05	0.07	0.10	0.12	0.25	0.70
10	Billing	0.02	0.01	0.00	0.00	0.00	0.20	0.05	0.28
11	Insurance	0.03	0.06	0.02	0.06	0.09	0.01	0.27	0.54
12	Capital Projects	0.02	0.01	0.20	0.07	0.01	0.01	0.25	0.57
13	Internal Claims	0.03	0.01	0.04	0.03	0.22	0.11	0.00	0.44
14	Tax Collection	0.23	0.22	0.17	0.10	0.23	0.18	0.60	1.73
15	Treasurer	0.12	0.04	0.05	0.04	0.36	0.20	0.35	1.16
16	State Reports	0.06	0.09	0.08	0.07	0.01	0.19	0.05	0.55
17	Federal Reports	0.04	0.02	0.07	0.02	0.00	0.10	0.25	0.50
18	Business management/ admin /super.	0.06	0.15	0.05	0.36	0.56	0.35	0.24	1.77
19	Strategic fiscal planning	0.01	0.01	0.02	0.07	0.00	0.05	0.00	0.16
20	Records management	0.03	0.06	0.17	0.05	0.11	0.25	0.07	0.74
21	Inventory/fixed assets	0.06	0.09	0.02	0.02	0.01	0.01	0.00	0.21
22	Personnel/HR	0.12	0.07	0.27	0.40	0.20	0.45	0.80	2.31
23	Contract Administration	0.02	0.01	0.02	0.02	0.00	0.10	0.05	0.22
24	Secretarial/clerical	0.07	0.03	0.18	0.06	0.35	0.45	0.95	2.09
25	Census maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Grant-writing	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01
27	School lunch program	0.05	0.06	0.05	0.21	0.15	0.26	0.10	0.88
28	Transportation	0.02	0.10	0.05	0.71	0.10	0.01	0.10	1.09
29	Operations & maintenance	0.02	0.01	0.05	0.14	0.07	0.00	0.05	0.34
30	Buildings & grounds	0.02	0.01	0.05	0.16	0.07	0.05	0.03	0.39
31	Internal Audit	0.03	0.07	0.05	0.03	0.05	0.00	0.16	0.39
32	Other (Specify)	0.00	0.03	0.00	0.15	0.00	0.40	0.05	0.63
33	Other (Specify)	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.01
34	Time Spent on Non- Business Office Functions(Specify)	1.67	0.00	0.90	0.04	0.85	0.60	0.75	4.81
35	Total FTE	4.02	3.21	4.41	6.38	6.34	7.39	10.00	41.74
36	Total FTE Business Function Only	2.35	3.21	3.51	6.34	5.49	6.79	9.25	36.93
37	Approx. District Enrollment	272	548	707	1363	1441	1589	3563	9483
38	Business Staff / Student Ratio	116	171	202	215	263	234	385	257

Size of Current Business Office Staffs

As to be expected, as the size of the districts increases the number of business office support staff also increase to meet the needs associated with additional district staff, increased numbers of facilities, increased number of purchases, etc. For the purpose of this study, the seven districts are grouped based on enrollment size as the three smaller districts with enrollments between approximately 270 and 710, three medium districts with enrollments between 1300 and 1600, and one large district with over 3300.

The three smallest districts devote between 2.35 and 3.5 FTE time to business functions. The three medium size districts in the region have between 5 and 7 FTE time devoted to business functions. Monticello, as the largest district, has a total of 9.25 FTE time devoted to business functions.

The districts range in the number of FTE time required to support the various enrollment levels. Roscoe's business FTE supports 116 students each, while Monticello's business FTE supports 385 students each. In other words, the larger districts are able to support increased numbers of students without increasing their staffing levels proportionally as a result of their efficiencies and economies of scale. Expressed differently, while the level of student enrollment increased by over 1210% between Roscoe and Monticello, the amount of time spent on business functions increased by only 294%.

The districts rely on a core business staff of 36 separate full time positions. Core business staff are defined as people who are located in the business offices and are the people that were considered in development of the CBO model and could be considered for transfer to the CBO. The core business staff are supplemented by an additional 16 separate individuals who are primarily engaged in non-business office tasks. This is particularly the case in the smallest districts. For example, portions of the human resource function, such as initial employee screening and hiring, are often administered through the superintendent's office with the superintendent's secretary providing key support. This is the case in Fallsburg, Eldred, Liberty, and Livingston Manor. The smaller districts also face ongoing challenges to adhere to proper segregation of duties and internal controls within a two to four person office.¹³ In Roscoe, the superintendent's secretary opens the mail and the receptionist is engaged for assistance with accounts receivables, receiving, and inventory. In Eldred, to protect against potential fraud, the superintendent's secretary is

¹³ As recommended by the Governmental Accounting Standards Board (GASB).

tasked to enter new employees into the computer system as a measure of internal controls to separate this task from the person who issues the payroll checks.

Primary Time-Consuming Business Office Functions

Staff in the business offices within the seven districts spend nearly 90% of their time on the specific tasks listed in the staff survey under business support functions (89.3%). That is, out of the 41.70 FTE time reported by staff involved in business office functions, 4.81 FTE time reported (10.7%) is spent on “non-business office functions” (see line 34 of the functions listed in Table 5).

This is important to note when developing a potential CBO model in order to understand potential service gaps that might be created by shifting business positions to a CBO. Of the 10.7% of time spent on non-business office functions, the staff reporting these “other than business office functions” tend to be positions that are not under consideration for participation in a CBO such as superintendent secretaries and receptionists. This time also includes small portions of the business official or treasurers time that were not otherwise counted as business functions.

Of the 31 specific business office functions listed in the staff survey, 6 core tasks account for 47% of the total time spent on business functions. Every single one of these functions requires at least 2 FTE time.

Function	FTE	% of Time
Payroll	6.15	14.9%
Purchasing	3.13	7.7%
General Accounting	2.19	5.5%
Accounts Payable	3.87	9.4%
Personnel/HR	2.31	5.7%
Secretarial/clerical	2.09	3.9%
Total	19.74	47.2%

Workflow of Current Business Operations

The seven districts collectively processed nearly 48,700 payroll checks and 25,700 non-payroll checks during the 2007-08 school year. This activity was processed by just over 10 FTE time across the districts (6.15 FTE time for payroll and 3.87 FTE time for accounts payable).

The following tables present separate measures of district workflow specifically for the number of purchase orders (PO) and payroll checks

processed. There is a high degree of commonality in conducting and processing routine business operations. For example, every business office processes payroll, tracks time, processes purchase orders, processes checks, tracks and audits expenditures (local, state and federal programs), etc. We observed that across the districts there are variations in how these processes are carried out based on a number of factors including the size of the districts, volume of activity, number of business staff, type of software used, and procedures in place.

By reviewing workflow variables it is possible to highlight districts that have established efficient processes and procedures to explore for potential replication. This comparison also identifies opportunities for learning to improve commonly used systems and may indicate different factors impacting the workload of the district staff.

	No. of Business Office Staff FTE Time	No. of POs Processed	Payroll Checks Processed	Non-Payroll Checks Processed	Total District Staff	Total District Staff Costs (payroll & benefits)
Roscoe	2.35	675	1,650	1,435	52	\$5,176,000
Livingston Manor	3.21	1,261	3,397	1,756	102	\$9,054,000
Eldred	3.51	750	3,700	2,235	109	\$11,109,000
Sullivan West	6.34	1,380	5,543	2,821	206	\$20,953,000
Fallsburg	5.49	1,600	7,016	2,867	233	\$23,682,000
Liberty	6.79	2,205	9,183	3,063	305	\$27,540,000
Monticello	9.25	2,638	18,179	15,840	668	\$52,519,000
Total Districts	36.93	10,509	48,668	30,017	1,677	\$150,033,000

Notes: Staff time on business function tasks only. Buildings & Grounds, Food Service, and Transportation staff not included in Business Office staff totals. Sources: Information reported by district staff for FY ending June 30, 2008. District staff and payroll figures from National Center for Education Statistics for 2006-07.

For example, Roscoe processes its payroll at a higher rate than the rates of the next three larger districts (Table 8). The staff attributes this to its small size that is made up of primarily salaried employees, minimal substitutes, and two employee contracts. These circumstances in Roscoe make payroll a fairly automated process after the initial set up at the start of the school year.

	No. of Payroll FTE Time	Staff Served per Payroll FTE	Payroll Checks Processed per Payroll FTE
Roscoe	0.24	217	6,875
Livingston Manor	0.80	128	4,246
Eldred	0.58	189	6,379
Sullivan West	1.03	200	5,382
Fallsburg	0.75	311	9,355
Liberty	1.05	291	8,746
Monticello	1.70	393	10,694
Total Districts	6.15	273	7,913

Sources: Information reported by district staff for FY ending June 30, 2008. District staff and payroll figures from National Center for Education Statistics for 2006-07

Monticello, as expected, processes the greatest volume of accounts payables/non-payroll checks (Table 9). Despite having a volume more than five times the next largest district, Monticello processes A/P with less than a full-time person (.90 FTE time) compared to the other districts which range from .27 FTE time to .70 FTE time. Monticello staff describe their efficiencies as a function of all purchase orders being submitted electronically through their software Finance Manger. This process facilitates the A/P process and saves business office staff time by not rekeying PO information into the system. Strict policies on the PO process was also cited as a contributing factor to their efficiency.

	No. of Accounts Payable (A/P) FTE Time	Non-Payroll Checks Processed	Non-Payroll Checks Processed per A/P FTE
Roscoe	0.27	1,435	5,315
Livingston Manor	0.41	1,756	4,283
Eldred	0.45	2,235	4,967
Sullivan West	0.51	2,821	5,531
Fallsburg	0.70	2,867	4,096
Liberty	0.63	3,063	4,862
Monticello	0.90	15,840	17,600
Total Districts	3.87	30,017	7,756

Sources: Information reported by district staff for FY ending June 30, 2008. District staff and payroll figures from National Center for Education Statistics for 2006-07.

Financial Software Currently Used by Districts

The seven districts use one of three software packages for their primary business functions. The four smallest districts use InfoMatics, while the larger three use either Finance Manager (2) or WinCap (1). Two districts have recently made significant capital investments into transitioning to new software. Sullivan West launched WinCap in July 2009 and Monticello converted to Finance Manager in 2006-07. The Sullivan County BOCES uses WinCap. During our interviews several districts expressed strong concerns about switching software to be a part of a CBO model. Other districts voiced concerns regarding the return on investment of changing software compared to the benefit savings of joining a CBO.

	WinCap	InfoMatics	Finance Manager
Roscoe		X	
Livingston Manor		X	
Eldred		X	
Fallsburg		X	
Sullivan West	X		
Liberty			X
Monticello			X

Note: Highlight indicates strong desire to retain current software package.

Business Official Areas of Responsibility

In every district, the business official plays a key role in assisting the superintendent with higher order business operations support, such as developing and tracking district budgets and providing human resource support services. In addition to these functions, the business officials in each district were responsible for several functional areas or departments including transportation, food service, and buildings and grounds. A summary of these reporting areas is found in Table 11.

	Buildings and Grounds	Transportation	Technology/IT	Food Service
Roscoe		X	X	X
Livingston Manor	X	X		X
Eldred	X	X	X	X
Sullivan West	X	X	X	X
Fallsburg	X	X		X
Liberty				
Monticello	X	X		X

Sources: District organizational charts and staff interviews.

All districts, with the exception of Monticello and Eldred, contract out transportation services. Livingston Manor is currently in transition to move buildings and grounds and transportation from the Superintendent to the Business Official. In Liberty, buildings and grounds, transportation, and food service report to the facilities manager who reports to the Superintendent. In Sullivan West, the Technology Director reports to the Assistant Superintendent of Business.

SECTION 3: REVIEW OF EXISTING CBOs AND LARGE DISTRICT COMPARISONS

Based on the challenge of scale presented by the configuration of districts who might initially participate in the Sullivan CBO, CGR conducted interviews with existing CBOs in New York State to explore the concept of a minimal scale required to initially launch a central business operation. The CBO interviews focused on the successes and challenges of implementing the CBO model, especially noting the number of staff, participating districts, and enrollment size that were part of the initial launch.

The New York State Education Department (NYSED) provided CGR with a list of fourteen CBOs within the state. CGR further identified several CBOs which have launched in the past few years. Based on this list, CGR identified 6 existing CBOs servicing districts with the smallest total enrollments in the state that were most comparable to Sullivan County. CGR also elected to interview the Greater Southern Tier (GST), now one of the largest CBOs in the state, as a follow-up to our 2005 study to learn from their implementation process. The 7 CBOs interviewed include:

- Cayuga-Onondaga
- Delaware-Chenango
- Franklin-Essex-Hamilton
- Greater Southern Tier
- Hamilton-Fulton-Montgomery
- Onondaga-Cortland-Madison
- Otsego Northern Catskills

Key Findings from Existing CBOs

Existing CBOs provide a template for a Sullivan CBO model and an opportunity to gather insight into what inputs were required to effectively start and maintain a CBO operation. Over the past decade CBOs have started and grown throughout the state, providing a ready body of knowledge on the process of CBO concept to implementation.

Our research and interviews with seven existing CBOs indicate the following four key variables that need to be considered by the Sullivan districts:

- CBO's start with a vision for providing certain core services and then evolve over time in terms of size, complexity, level of services provided and participating districts;
- Along the same line of thinking, CBOs seem to not start out as a full-service operation intended to provide a full-service alternative to existing business operations at the district level. In fact, the concept of a full-service CBO to replace all business operations at the district level is only now being studied by the Cayuga-Onondaga BOCES.¹⁴
- There is a lack of rigorous cost/benefit assessments of current CBO operations – most of the benefits identified focus on service improvements, the benefits associated with staff reduction at the district level, protection against abuse through improved internal controls and segregation of duties, the local property tax benefits from shifts to BOCES funding, and the generalized efficiency benefits inherent in reducing obvious duplication of functions among multiple districts.
- In general, the CBO concept was initiated by several districts exploring potential savings and ultimately requested their BOCES to facilitate the process.

Summary of Existing CBOs Start-Up Phase

We collected start-up information from six of the seven CBOs interviewed. The six CBOs ranged in tenure with 2 CBOs having started in the mid-1990s and the remaining 5 starting within the past four years. The CBOs started with either 2 or 4 districts on day one, while several quickly grew with additional districts joining within six months to a year.

Four of the six CBOs started with at least one participating district above 1,000 enrollment, with two of the CBOs starting with districts with enrollments over 4,000. The size of the initial participating districts impacts the size of the CBO and volume of activity. Prior to the interviews, it was our understanding that CBOs required a large 4,000+ district at the start in order to achieve sufficient critical mass of staffing the new operation. However, we found that three of the CBOs interviewed started with districts with enrollments less than 2,000, and as few as 820. Table 12 lists the findings of the CBOs in order of smallest enrollment to greatest enrollment served at start-up.

All of the CBOs interviewed started by providing the core services of payroll and accounts payable with additional services offered. Only

¹⁴ CGR uses the term “full-service CBO” to refer to a CBO operation that provides all business functions such as oversight of food service and transportation.

Franklin-Essex-Hamilton started as a full-service CBO, incorporating all business functions from day one. The CBOs started with FTE staff ranging from 1 to 8. Regarding financial software, CBOs at startup choose an existing financial software package that was used by one or more of the districts to minimize transition issues.

In summary, Sullivan BOCES composition of mostly small and medium sized districts is not a limiting factor for starting a CBO. However, a BOCES CBO most start with at least two participating districts.

	ONC BOCES - Otsego Northern Catskills	Franklin- Essex- Hamilton BOCES	Delaware- Chenango BOCES (DCMO)	Hamilton- Fulton- Montgomery BOCES	Cayuga - Onondaga BOCES	Greater Southern Tier (GST)
No. of Districts	2	2	2	4	2	4
CBO Districts Total Enrollment at Launch	823	1,181	1,741	2,293	6,088	7,270
Participating Districts Separate Enrollment	Charlotte Valley (485) and Jefferson (338)	St. Regis Falls (353); Brushton (828)	Sherburne- Earlville (1741); second district not identified	Canajoharie (1063); Mayfield (1048); Piseco (18); Wells (164)	Jordan Elbridge (1600); Auburn (4488)	Horseheads (4336); Elmira Heights (1079); Prattsburgh (514); Watkins Glen (1341)
Year Started	1995	2005	1994	2008	2007	2005
CBO FTEs	2	3	1	4.5	4	8
Services Offered	Payroll and A/P	Full Service	Not Provided	Accounting, payroll, A/P, Purchasing	Payroll and A/P	Payroll, A/P, purchasing and claims auditing
Software	Info Fund, Munis	WinCap	InfoMatics	InfoMatics	Budget Sense	Munis, WinCap and Finance Manager

Summary of Existing CBO Current Operations

The existing CBOs interviewed were quick to point out the typical growing pains associated with the start of a new operation. Once the CBO started, one of the greatest challenges was quick growth as additional districts joined the CBO. Current CBOs range in size of serving districts with a total enrollment of 870 to over 21,000 with CBO staff ranging from 4 to 46 FTE.

The two CBOs most similar to Sullivan County's configuration of small to medium sized districts are ONC and DCMO that offer business functions to 8 and 11 districts respectively, with total enrollments of 3,300 and 4,800. ONC provides a range of full services to its districts with 6.5 FTEs and DCMO provides tiered service levels to its districts with 13.5 FTEs.

	ONC BOCES - Otsego Northern Catskills	Franklin- Essex- Hamilton BOCES	Delaware- Chenango BOCES (DCMO)	Hamilton- Fulton- Montgomery BOCES	Cayuga - Onondaga BOCES	Greater Southern Tier (GST)	Onondaga- Cortland- Madison BOCES ¹⁵
No. of Districts in CBO	8	3	11	4	6	13	7
CBO Districts Total Enrollment	3,343	868	4,855	2,293	10,040	21,431	7,606
Current CBO FTEs	6.5	4	13.5	4	6	46	6.35
Current Services Offered	Full Service	Full Service	Full Service	Payroll, A/P, purchasing, cash management, accounting.	Full Service	Payroll, A/P, accounting, budgeting	Full Service
Software	WinCap / InfoFund (Migrated from original)	WinCap	Finance Manager (Migrated from original)	Infomatics	Budget Sense	Moving to 1 software	WinCap

¹⁵ Onondaga-Cortland-Madison BOCES data provided for current operations only and is therefore not included in the summary of CBO start-ups found in Table 12.

Key Learning from Existing CBOs

The CBOs interviewed shared helpful insight of the challenges and opportunities of establishing their operations. Since the CBO model has grown over the past decade, the now existing CBOs have many procedures and processes in place to learn from. Most of the CBOs interviewed offered to host a field trip for the Sullivan CBO staff and/or district staff to share their learning.

Each district indicated varying degrees of standard bumps generally expected during the start of any new business model. However, several common themes emerged for consideration when launching a CBO. These include:

- ❖ **Manage expectations carefully by outlining the roles of the district and the CBO.** Several CBOs experienced difficulties when districts had different expectations of the services they were to receive from the CBO and did not effectively plan for functions left in the home district. *Developing a clear understanding of what the CBO is and is not going to do relative to school business activities was the key recommendation from each of the CBOs interviewed.* Steps to manage expectations include using detailed agreements for each CBO service that clearly details what is required for each service. Several of the CBOs interviewed have sample forms which could provide a strong starting point for Sullivan County in clearly outlining what is expected by both parties.
- ❖ **Establish regular communication between the CBO and the districts.** The CBOs stressed the importance of establishing a good working relationship with the districts right from the start so districts did not see a drop-off in service. The districts are the customers of the CBO and should be provided regular opportunities to provide feedback and inform service delivery. This may include monthly calls or visits with the district superintendents and/or business officials and/or regular “user group meetings” with participating districts to share information and garner improvement suggestions. Each year should include a formal business service review to allow the districts a structured opportunity to provide feedback of service delivery.
- ❖ **It is recommended that each district retains a business official/treasurer position, separate from the CBO.** The CBO provides services to the district and needs to have a key contact who is keeping all of the pieces in place for the home district. Based on interviews with existing CBOs, it is our understanding that districts are required to retain a treasurer position separate

from the CBO. This position has been combined with the business manager position in the districts served by several of the CBOs interviewed.

- ❖ **Pay attention and do not underestimate the impact of the “people component.”** Change can often be very unsettling and scary to people. The change from a known environment to the unfamiliar and new CBO model can be highly emotional and territorial. To help the transition it is recommended to spend the time to communicate with the district staff, directly address specific concerns, involve staff in the process to foster ownership, and be aware of individuals who might sabotage the change.
- ❖ **Build a new customer-oriented culture.** By integrating staff from different districts, the CBOs found it challenging to develop a unified staff to service more than their primary district. Particular attention must be placed on changing this mindset and building a new organizational culture focused on servicing multiple customers. CBOs found this aspect of the start-up most challenging, though loyalty to the primary districts became less troublesome the longer the CBO operated and new CBO staff joined who were not from a home district.
- ❖ **Use a single financial software package.** Though several CBOs started using various financial software packages, this approach was seen as inefficient, costly, and difficult to manage. The CBOs are either on one software package or are moving to a single software package that will be required of all participating districts. As shown in Tables 12 and 13, however, it is clear that many different software packages can meet the needs of a CBO. Our interviews suggest that the selection of the CBO software can be based on what is most useful to the participating districts.
- ❖ **Districts joining a CBO have different levels of established procedures, processes, and expertise.** Several CBOs countered the assumption that the largest volume districts required the greatest amount of staff time from the CBO. In implementation, the smaller districts that lacked formal and automated procedures required more time and attention from CBO staff than their larger peers. Building in this possibility from the beginning is important when determining fee structures and allocating staff time.
- ❖ **Savings increased over time.** CBOs noted that over time their own operations grew more efficient following the initial launch. These efficiencies were the result of staff learning to work more effectively as a team and serving more than one district, tenured staff who were properly trained, and by absorbing staff attrition.

- ❖ **Fees and CBO costs can be charged in different ways.** The CBOs interviewed use a range of fee structures to accommodate for the differences in transaction levels, use of CBO staff time, and the types of services provided to each district. Sample fee structures include:
 - Volume based with set rates for a specified number of transactions processed;
 - RWADA (Resident Weighted Average Daily Attendance) basis to share expenses based on the percentage related to the district's size out of the total BOCES;
 - Base fee (to cover expenses not related to volume, such as software licensing fees and server space), PLUS a percentage of the CBO FTE staff required to service the individual district;
 - Set fees for specific services provided such as internal claims auditing or special project work.

Two of the CBOs interviewed noted that a fee structure based on RWADA is not an appropriate measure for the amount of service time a district requires from the CBO. Bigger districts may in fact take less time than an inefficient smaller district. Existing CBOs have established methods and tools available to provide Sullivan BOCES with benchmarks and sample structures to review and incorporate into its operation.

Findings from Large District Business Office Operations

In order to benchmark efficiencies potentially achieved through centralization and economies of scale, CGR surveyed school districts in New York State with the approximate total enrollment of Sullivan County's component districts. Using the National Center for Education Statistics (NCES), CGR identified a candidate pool of 7 districts in New York State with total student enrollment within the range of 10,000 to 11,000 students to match the approximately 10,758 total students in the eight component districts of Sullivan County BOCES.¹⁶ CGR conducted phone interviews with the identified districts, with six providing the requested data. The six school districts surveyed include:

School District	County	Enrollment
Arlington Central School District	Dutchess	10,321
Half Hollow Hills Central School District	Suffolk	10,179
New Rochelle City School District	Westchester	10,526
North Syracuse Central School District	Onondaga	10,325
Smithtown Central School District	Suffolk	10,767
Williamsville Central School District	Erie	10,702

Source: National Center for Education Statistics for the 2006-07 school year.

This single district benchmark method provides an illustration of what potential efficiencies exist in a central and uniform model. Based on our interviews, we found business offices within a range of 10 to 16.5 FTEs are able to support districts with an enrollment and staff size similar to the total of the Sullivan County districts (Table 14). Comparing to the Sullivan districts current total of 36.9 FTEs, if the 7 participating districts operated as a single district business office, it would have between approximately 21 and 27 more staff than comparable large districts that serve more students and similar levels of business transactions.

Taking into consideration the requirements of the separate districts in Sullivan County to retain a business manager/treasurer position at each district (7 FTE) and using the CBO model of 16 staff outlined in Section 4 for a total of 23 FTE, the districts would have a total of approximately 13 FTE or 7 FTE more than comparable large single district operations.

¹⁶ National Center for Education Statistics (NCES) "Local Education Agency Universe Survey" for 2006-07 school year.

Table 14: Comparable Large School District Business Operations Summary						
	Arlington Central School District	Half Hollow Hills Central School District	New Rochelle City School District	North Syracuse Central School District	Williamsville Central School District	Mount Vernon City School District
Total Enrollment	10,226	10,142	10,223	9,833	10,649	9,276
Current Business Office FTEs	16.5	10	13	12.9	10	15
Total District Staff	1,036	1,197	1,089	1,144	1,111	1,137
Total District Staff / Business Staff	63	120	84	89	111	76
Payroll Checks Processed per year	52,000	52,000	Not Provided	41,600	Not Provided	48,000
Notes: Enrollment and staff figures are for 2007-08 school year.						
Sources: National Center for Education Statistics (NCES) and phone interviews with district staff.						

SECTION 4: PROPOSED SULLIVAN CBO MODEL

Proposed CBO Model Overview

The proposed CBO model for Sullivan BOCES would include 16 staff members transferred from the seven participating districts. A total of 19 positions were identified for inclusion in the CBO (Table 15), however, one position is currently vacant and 2 other positions are expected to become vacant. Each district would retain their Business Official and/or Treasurer and staff needed to fulfill business functions not directly provided by the CBO (17 core staff total across 7 districts). By not filling one current and two anticipated vacancies, the CBO could effectively begin with a net of 16 staff positions. This assumes that the districts will consider a CBO manager from a participating district (one of the 16 net positions assigned to the CBO).

The proposed CBO would be located in an existing BOCES facility and provide the following 10 services: payroll, purchasing, general accounting, accounts payable, accounts receivable, benefits, state reports, Federal reports, personnel/human resources, and secretarial/clerical support. The CBO should elect to use one financial software package as determined by the participating districts.

In theory it could be possible to have the proposed CBO begin operation on July 1, 2010 in order to obtain immediate savings and resolve district questions of whether or not to fill existing or projected vacancies. However, if not all districts choose to participate initially, some districts could initiate creation of the CBO by that date as an interim step in moving towards the full comprehensive CBO model. Possible interim options are presented later in this section.

The comprehensive CBO model, then, assumes 16 staff would be assigned to the CBO and 17 staff would remain at the districts, for a total of 33 core business function positions¹⁷. This would amount to a net reduction of three core business function positions over current staffing. Over time, increased efficiencies and future staff attrition make it highly likely that this CBO model will be able to operate with even fewer than 33 core business function positions, which would bring the Sullivan CBO more in

¹⁷ The 16 other district staff providing supplemental support would continue to remain in the districts.

line with peer CBOs and comparable large district business offices as presented in Section 3.

Assumptions and Criteria Used to Develop the Sullivan CBO Model

In considering how to develop a Sullivan CBO model, during the interview process it was suggested that the most useful outcome from this report would be to identify a comprehensive business model that provides a suite of core business functions. Starting with a comprehensive model provides the districts with an understanding of what a CBO might look like if the districts were to contract with BOCES for a suite of core business functions. This approach provides a vision of the end result, outlines how the model would be staffed, what services it would provide and what it would cost. This can be compared to current operational costs to identify the cost/benefit potential of taking the steps toward a comprehensive CBO model.

We also made two other overarching assumptions. First, we built a proposed CBO model assuming no loss of existing personnel. As noted, personnel efficiency savings would come by not filling positions that become vacant through attrition. The model assumes that any future reductions in staff would occur through attrition, with no current staff losing jobs as a result of the possible creation of a CBO. It is also possible that over time additional business office functions would subsequently be integrated within a CBO, with the resulting potential for additional future shifts of selected staff from district business offices to the central office.

Second, following requests from BOCES, several district superintendents, and what we heard from several existing CBO's, we left at least a business official in each district,¹⁸ outside of the CBO, and more staff if the numbers called for it as detailed in the staffing section below.

The CBO model is based on the 36 core business staff that were counted as part of the staff survey and who were identified as having the majority of their time involved with business functions within the participating 7 districts. This figure includes the vacant position in Liberty (See Section 2, Table 4).

¹⁸ Except we support the concept of a shared Business Official between the two smallest districts, Roscoe and Livingston Manor. Having a CBO would assist in this transition because core business functions would be handled by CBO staff, which will free up the time demands for the Business Official at the district level.

Proposed CBO Services

The proposed CBO model assumes that on day one the CBO would take on the following 10 functions:

- Payroll
- Purchasing
- General Accounting
- Accounts Payable
- Accounts Receivable
- Benefits
- State Reports
- Federal Reports
- Personnel/HR
- Secretarial/Clerical

These functions were identified as the core functions other CBOs in the state provide and are functions that do not require a high level of district specific specialization. Six of the ten functions require 2 to 6 FTE time across the districts – the rest have a minimum of 1 FTE time with the exception of accounts receivable (.38 FTE time) which we have included as a logical extension to be a part of the CBO.

The various other business office functions were generally viewed as not having sufficient critical mass and/or not consuming sufficient time to justify incorporating into a central office, at least initially, except for the tax collection, budget and treasurer functions as discussed below. In 19 of the 31 listed business office functions, less than the equivalent of one FTE time was devoted to the task across all seven districts.

Staffing the CBO

The proposed model would include 16 staff members transferred from the seven participating districts. In order to achieve staffing efficiencies, CGR assumes that one of the staff positions transferred to the CBO would be designated as the CBO Manager position. Each district retains their Business Official and/or Treasurer and staff needed to fulfill non-CBO functions (17 total core staff across the 7 districts) and the other non-core supplemental staff (16). However, over time with reduced business transactions conducted in the home districts, these two positions could potentially become one Business Official/Treasurer combined position and provide additional cost savings to the districts.

The number of staff required for the proposed CBO model was determined by totaling up the percent of time shifted to the CBO which is devoted to the ten core functions. Currently, 2065% of time, which equals 20.7 FTEs, is spent across the seven districts on the 10 functional areas. The percent of time remaining on functions not transferred to the CBO totals 1640% or 16.4 FTEs (calculations can be found in the summary sheets found in Appendix B).

In determining whether or not to transfer a person/position to the CBO we considered the following factors:

- ❖ In every case the Business Official was left in the district based on prior discussions. The Business Official would provide the budget development, budget monitoring, staffing and other higher level support for the Superintendent, as well as performing or managing the non-core functions remaining at the district in the model. The Treasurer function was also left at the district, for reasons discussed previously.
- ❖ We looked at the percentage of time dedicated to functions transferred to the CBO and the percentage of time spent on functions remaining at the district. For example, in Roscoe, 107% (1.07 FTE) of time is currently spent on the ten functions being moved to the CBO, and 93% (.93 FTE) of time is left on functions remaining at the district. This translates to 1 position being transferred to the CBO and 1 remaining in the district.
- ❖ In some districts, the time breakdown resulted in a partial FTE, for example Sullivan West has 348% of time (3.48 FTE) on the ten functions moving to the CBO and 252% (2.52 FTE) on functions staying in the district. In such situations we rounded down for FTE transferred to the CBO and rounded up the FTE to stay in the district to ensure sufficient staffing at the district level with the assumption that efficiencies will be achieved in the CBO to offset the reduced FTE transfer. In Sullivan West's case, this meant 3 positions staying in district and 3 positions transferring to the CBO.
- ❖ At this time, the CBO is not designed to provide Internal Claims Auditing nor Tax Collection services. As expected, in all 7 districts these functions are provided seasonally (tax collection) or for a few hours in a month (claims auditing) and generally by staff not engaged in the main business office (there are a few exceptions to this, Monticello being a prime example). All non-full-time staff members assigned to these functions are left in the districts.

- ❖ Our judgment to shift staff was also based on information gathered from our confidential interviews, namely if staff showed interest in moving to the CBO and/or disclosed upcoming vacancies.
- ❖ Finally, after the above factors were considered, if additional staff needed to be transferred we assumed the highest cost person would be shifted to the CBO to provide the highest cost savings benefit to the districts.

Tables 15 and 16 provide the key information for understanding how the work will be re-distributed/shifted between CBO staff and staff remaining in the districts.

Table 15 identifies the 19 positions that CGR proposes would be included in the CBO based upon the functional analysis described above. Note that one of the positions is currently vacant¹⁹, and 2 of the positions are currently filled, but with staff who are anticipated to retire shortly. As shown in Table 15, 1447% of the total time of the 19 identified CBO positions is currently devoted to the core functions designated to be included in the CBO (1447% of time equates to 14.5 FTEs).

Table 16 identifies the 17 core business office positions that would remain in the districts. As shown in the table, functions that take 598% of the time (which equates to 6 (rounded) FTE's) would be transferred to CBO staff. Note, this actually understates the work to be transferred to the CBO staff because other non-core staff also perform some of the work of the 10 primary functions assigned to the CBO.

Therefore, the total work assigned to the CBO would, according to the data, amount to 20.7 FTE time of work. If the CBO were to be staffed with the 19 positions identified in Table 15, i.e. the current and projected vacancies are filled, the CBO would have a proposed staff of 19 to perform 20.7 FTE of work. Given the minimum efficiencies that could be expected from grouping staff who perform common functions together, it is entirely reasonable to project that 19 staff could perform the tasks of the 10 core business functions transferred to the CBO. In addition, if the districts chose to create an additional position for CBO Manager, this would bring total CBO staffing to 20.

However, creating a 19 or 20 person CBO would not achieve any direct efficiencies for the districts. Based on the comparison information provided in Section 3, CGR believes that the districts should expect business operations going forward to achieve operating efficiencies and

¹⁹ To estimate time demands, CGR assumed an 80%-20% split of time for that position between core and non-core business function work.

reduce staff devoted to business functions. Creating the CBO will provide the structure to achieve these efficiencies. Our assumption is that, if the districts choose to not fill the one existing vacancy and subsequently choose to not replace staff who leave and create two vacancies (anticipated June 2010), the remaining 16 CBO staff should be able to perform the 10 core functions. Other CBOs and comparably sized districts as shown in Section 3 demonstrate the potential for such efficiencies.

Getting to a 16 person CBO initially may be difficult because of the first-year transition issues, moving staff, installing and learning software, setting up common procedures, etc. Thus, the districts may choose to start the CBO with 18 -19 staff. However, again, this ultimately will be a policy decision that takes into account both the short and long term needs to reduce district operating costs.

Table 15: Proposed CBO Model Staffing			
Showing Time Spent on CBO Functions and Time Spent on Functions Left in Districts			
District	Position	Staff Time to CBO Functions	Staff Time Left in Districts
Roscoe	District Treasurer	67%	33%
Livingston Manor	Payroll Clerk	92%	8%
Livingston Manor	Sr Account Clerk	66%	34%
Eldred	Sr. Payroll Clerk	87%	13%
Eldred	Account Clerk	85%	15%
Sullivan West	Business Mgr./Treasurer	46%	54%
Sullivan West	Sr. Acct Clerk	100%	0%
Sullivan West	Account Clerk	100%	0%
Fallsburg	Acct Clerk	75%	25%
Fallsburg	Account Clerk/Secretary	80%	20%
Liberty	Vacant Position *	80%	20%
Liberty	Typist	44%	56%
Liberty	Account Clerk	85%	15%
Liberty	Payroll Clerk	80%	20%
Monticello	Sr. Account Clerk	85%	15%
Monticello	Sr. Account Clerk	85%	15%
Monticello	Dist. Accountant	40%	60%
Monticello	Sr. Account Clerk	80%	20%
Monticello	Personnel Specialist	70%	30%
	Positions Transferred	19	
	Total Time	1447%	453%

Table 16: District Staff Time Shifted to CBO			
District	Position	Staff Time to CBO Functions	Staff Time Left in Districts
Roscoe	Business Official	40%	60%
Livingston Manor	School Business Administrator / Treasurer	39%	61%
Eldred	Business Manager	36%	64%
Sullivan West	Asst Supt	22%	78%
Sullivan West	Secretary	0%	100%
Sullivan West	Payroll Clerk	80%	20%
Fallsburg	Business Manager	5%	95%
Fallsburg	Treasurer	30%	70%
Fallsburg	Account Clerk	51%	49%
Liberty	Treasurer	31%	69%
Liberty	Typist	8%	92%
Liberty	Personnel	75%	25%
Monticello	Asst. Supt.-Bus.	28%	72%
Monticello	Treasurer	33%	67%
Monticello	Sr. Account Clerk	75%	25%
Monticello	Sr. Account Clerk / Tax Collector	45%	55%
Monticello	Secretary to Asst. Supt.-Bus.	0%	100%
	Positions in District	17	
	Total Time	598%	1102%

Impact on District Non-CBO Functions

As shown in Tables 15 and 16, the amount of time required for business functions that remain in the districts will be reduced on a proportional basis, compared to current operations. Collectively, the 19 positions shown in Table 15 will leave behind 4.53 FTE (453% of time) worth of work to be reassigned in the home districts (this includes CGR's time estimate for the vacant position in Liberty). On the other hand, the amount of time transferred from remaining district staff to the CBO

amounts to 598% of time, or 5.98 FTE. Thus, in this model the districts transfer 1.45 FTE time more than they receive from work left behind from the positions transferred to the CBO. This should have the effect of creating additional opportunities in the districts to transfer other work to staff currently performing business function tasks, or achieve other efficiencies.

Cost-Benefit Calculations

In order to determine the costs and benefits to each district for moving to the proposed CBO model, CGR estimated the costs of the proposed CBO model and compared that to current district costs of business operations. This includes estimates of salaries and benefits of staff moved to the CBO and estimates for annual operating and maintenance (O&M) costs associated with creating a central CBO space.

To estimate the impact on staff costs, the districts supplied CGR with information about current salary and benefits, along with the numbers of hours worked per week, position title, and other information such as how long the person has been an employee of the district and in the current position. After CGR developed the staffing scenario for the CBO (Table 15), BOCES compared the cost of those staff to current BOCES costs. On average, BOCES concluded that the salaries and benefits would be the same for cost comparison purposes. Salaries and/or benefits on a person-by-person basis might be adjusted slightly, but the net personnel costs can be assumed to be close to current district costs. The standard BOCES work week is 35 hours, while work weeks in the districts range from 37.5 to 40 hours, thus, district staff moving to BOCES would not be negatively affected by a change in the standard work week. Consistent with existing practice, staff moving from districts to BOCES would be held harmless. Specific person-by-person details will need to be worked out through the transition process.

BOCES estimated that the annual O&M costs to provide space, equipment and training, supplies, postage, computer equipment and software and BOCES courier service incremental costs for a 16 person CBO would be \$278,000 in the first year (not including one-time start-up costs). Annual O&M costs after the initial start-up year could decrease if experience with the CBO identifies the opportunity to handle transactions electronically that are currently paper-based, which would reduce, at a minimum, courier service costs and office supplies costs. Other CBOs noted this as one of the benefits of the CBO concept, especially when using a financial software package designed to maximize electronic transactions.

District Savings

Districts would save costs in two different ways by moving to the proposed CBO model. First, direct personnel savings would be achieved by reducing three positions as indicated through attrition and not replacing an existing vacancy. Offsetting direct savings would be the increased incremental annual O&M costs associated with the CBO. CGR assumed that, because the proposed model left certain core business staff in each district, that districts would not realize incremental O&M cost savings at the district level by moving to the CBO model. For example, we assumed that districts would continue to pay for their current financial software, until such point in time that districts standardize on the CBO software. Thus, CGR did not offset the incremental BOCES CBO O&M costs by any corresponding decrease in district O&M costs. This is the most conservative approach, i.e. it probably underestimates the potential cost savings for the districts.

In addition to direct cost savings or increases, the shift to a BOCES service will result in BOCES aid to each participating district. As stated previously, there are a variety of ways to determine the BOCES aid formula. Consistent with BOCES aid calculations currently used in Sullivan BOCES, CGR used the Base Cost plus RWADA aid formula. To test the impact of various aid options, CGR developed a spreadsheet model that included a portion of the CBO cost being paid by all districts evenly (the cost divided by the number of participants) and a portion of the cost being paid based upon RWADA. The sum of these two costs was multiplied by the individual district aid ratios to determine the district aid. The net cost to the district was then calculated. Finally, the net cost to the district was compared to the current district cost, to identify the savings on a district-by-district basis.

With this report, CGR will provide Sullivan BOCES with the Excel model used to develop our cost and savings projections. The model provides the ability to change the aid formula to determine how the total cost savings would be allocated to each district. For example, it is possible to calculate the cost and savings to each district that would occur if 100% of the CBO costs were allocated to districts evenly using the Base Rate methodology, or what would occur if 100% of the CBO costs were allocated based upon RWADA. After running the model, CGR concluded that, from our perspective, the model that appears to produce the most equitable distribution of savings among the districts would be to have 30% of the costs be a Base Rate cost and 70% an RWADA cost. The districts could choose a different allocation, of course.

Table 17 shows the estimated net district cost of participating in the proposed 16 person CBO model. Annual total costs for the districts, before aid, is estimated to be \$1,174, 897²⁰. Annual aid in total for the districts is estimated to be \$615,271. Thus, net costs to the districts after aid is estimated to be \$559,626.

TABLE 17: Calculation of Net Annual District Costs of Participation in CBO (using 30% Base / 70% RWADA)						
	CBO Cost Breakdowns based upon projected costs			Aidable Cost	AID Revenue (Staff plus Operating Costs)	Projected District Cost for CBO Model (District Staff plus CBO)
	Allocation of CBO Costs Base Rate	Allocation of CBO RWADA Rate	Total District CBO Cost	Total Aidable CBO Cost	Projected District AID (all aidable costs)	Net District Cost of CBO
Districts						
Roscoe	\$50,353	\$23,845	\$74,197	\$66,545	\$34,670	\$39,527
Livingston Manor	\$50,353	\$55,157	\$105,509	\$94,628	\$47,976	\$57,533
Eldred	\$50,353	\$64,915	\$115,268	\$103,380	\$54,481	\$60,787
Sullivan West	\$50,353	\$128,218	\$178,571	\$160,154	\$81,679	\$96,892
Fallsburg	\$50,353	\$116,423	\$166,776	\$149,576	\$105,152	\$61,624
Liberty	\$50,353	\$134,667	\$185,020	\$165,938	\$120,139	\$64,881
Monticello	\$50,353	\$299,203	\$349,556	\$313,505	\$171,174	\$178,382
TOTAL	\$352,469	\$822,428	\$1,174,897	\$1,053,726	\$615,271	\$559,626

Notes: All calculations are estimates only. Aid calculated for up to \$30,000 of staff salaries, all benefit expenses, and all CBO nonstaff costs. Current costs include staff salary and benefits at district level prior to CBO transfer. Savings are underestimated as current cost figures do not include in-district non-staff expenses.

Table 18 shows the Projected District Annual Savings of participating in the proposed CBO model. Table 18 shows the total district costs of their current business operations (the allocated costs of the 51 staff plus 1 vacancy previously discussed). It then shows the costs of the staff remaining in the districts (allocated based upon the staffing models previously discussed), plus the district costs of the CBO (from Table 17). As shown in Table 18, the total cost of business operations is estimated to be \$2,104,520 under the comprehensive CBO model, compared to current

²⁰ Annual savings shown in Tables 17 and 18 are Year 1 projections, since the variables for future years are unknown at this time. Net savings to the districts will be realized starting in Year 2 as a result of the way BOCES aid is returned to the districts.

costs of \$2,608,368. Thus, the CBO model is estimated to result in a net savings to the districts of \$503,849 or an overall cost reduction to the districts of 19%. Table 18 also shows the percentage reduction on a district-by-district basis.

Districts	Estimated Current District All Business Staff Costs (Salary plus Benefits)	Cost of Remaining District Staff	Net District Cost for Participation in CBO	Projected District Cost for CBO Model (District Staff plus CBO)	Projected District Savings from CBO Model	Estimated % Savings
Roscoe	\$168,960	\$110,344	\$39,527	\$149,871	\$19,089	11%
Livingston Manor	\$238,578	\$130,890	\$57,533	\$188,423	\$50,155	21%
Eldred	\$214,041	\$111,993	\$60,787	\$172,780	\$41,261	19%
Sullivan West	\$519,480	\$299,306	\$96,892	\$396,198	\$123,282	24%
Fallsburg	\$395,439	\$286,680	\$61,624	\$348,304	\$47,136	12%
Liberty	\$396,006	\$205,804	\$64,881	\$270,685	\$125,321	32%
Monticello	\$675,864	\$399,877	\$178,382	\$578,259	\$97,605	14%
TOTAL	\$2,608,368	\$1,544,894	\$559,626	\$2,104,520	\$503,849	19%

Notes: All calculations are estimates only. Model assumes 7 district CBO participation for 10 identified functions. Current costs for 52 people involved with business functions; including estimated expense for vacancy in Liberty.

Additional Considerations

Two additional factors were considered by CGR in developing the cost and savings estimates shown in Tables 17 and 18.

First, clearly, there will be one-time transition costs associated with creating a central workplace for the CBO. However, the size of the space required and the timing of the space requirement will be a function of how and when the districts choose to proceed. It is reasonable to assume that the one-time start-up costs will not exceed the range of \$75,000 - \$125,000. Given that the annual operating savings significantly exceed these one-time costs, CGR chose to not try to estimate the fiscal impact of those costs at this time.

Second, as noted previously, the annual savings to the districts is probably underestimated, because the current costs to the districts stated in Table 18 only reflect staff costs for current business operations. Thus, they do not include overhead costs, including computer software and hardware, that districts pay to run their business operations. Any reductions to current district operating costs as a result of shifting the ten business operations

identified to the CBO will likely result in savings to the districts. Again, to be conservative and not overstate the potential cost savings associated with the CBO, CGR chose not to estimate or include those savings in Table 18.

Concerns About the Proposed CBO Model

During the interview process, several potential barriers to the CBO model were raised. CGR considered each concern, but did not find any significant barriers that would prohibit the creation of a CBO for Sullivan County, especially noting existing CBOs have demonstrated that similar challenges can be addressed. The key concerns include:

Variation in Technology and Software Systems

The use of a uniform financial software package by all participating districts will increase the level of efficiency and ultimately savings to the districts. However, the investment costs to transfer to a new software package appears cost prohibitive to several districts at this time, and several districts interviewed clearly stated they were unwilling to change based on preference and recent investments in new software. This issue will need to be carefully considered when designing any CBO model.

Geography and Distance Between Districts

During the staff interview process concerns were raised that the distance between school districts in Sullivan County would be a barrier to the creation and use of a CBO. Based on CGR interviews with existing CBOs, the concern of geographic dispersion is not a hindrance to CBO operations with several spanning 80 plus miles to provide service. With the use of improved technology and locked daily courier bags between offices, communications with existing CBOs is sufficient to meet the needs of the districts served. Location is not a limiting factor for the types of services offered by CBOs.

Prior Experience

Several districts outsourced business functions in the mid and late 1990s with unsatisfactory experiences in quality and efficiencies.²¹ During this time, the majority of the communication between the servicing entity and the districts was through hard copy mail and predated the extensive use of email, web-based software packages, and scanning options which should mitigate such prior barriers.

²¹ These services were not provided by Sullivan BOCES.

The merger of Jeffersonville-Youngsville, Delaware Valley and Narrowsburg school districts to create Sullivan West ten years ago has also raised some concerns about a shared services framework. The perception of insufficient planning, bumps incurred during the implementation process, and the concrete loss of 44 staff positions, has understandably left both the district staff and the community wary of significant changes to operations. Despite these concerns, Sullivan West now operates a business office with just over 6 FTE staff compared to the 11 staff in the three separate districts, demonstrating improved efficiencies and savings through a consolidated approach.²²

Further, in the late 1990s, Roscoe and Eldred had unsatisfactory experiences sharing a business official by contracting with a private management group. This model was not viewed as successful for a variety of reasons including the amount of distance staff traveled, the varying skill sets of the staff left in district, differences in established procedures and processes, and the lack of use of technology to reduce the number of paper heavy transactions. Both districts no longer use a contract service and currently have separate business managers.

Understanding each district's prior experiences and history with shared services should be considered when developing the CBO implementation plan in order to properly address these staff concerns. CBOs can overcome many of the challenges outlined above by incorporating the use of technology in order to reduce paper-heavy transactions and implement standard processes and procedures.

INTERIM PATHWAYS TO THE PROPOSED CBO MODEL

CGR recognizes districts may have reservations in moving to the proposed CBO model immediately from the current state of operations. Many different combinations of districts as an interim step to a comprehensive CBO are possible. Below are three scenarios that outline what we believe are reasonable and achievable paths forward to the proposed comprehensive CBO model.

Path A: Roscoe - Livingston Manor CBO

As the two smallest districts in the county that are only 7 miles apart, a feasible initial step of savings would be to consolidate the Roscoe and

²² Education Management Associates; *Merger Study: Narrowsburg, Delaware Valley, Jeffersonville-Youngsville*, Winter 1998.

Livingston Manor business operations. Currently the districts serve a combined enrollment of 838 students (Roscoe with 262 and Livingston Manor with 576). Currently business operations take 5.6 FTE time, and are provided by a core business staff of 5.

Following the logic of the proposed model, this interim CBO would still provide the 10 main business functions for both districts thereby freeing up resources at the district level. This interim would create a basic CBO of 3 staff (one position would be designated as the CBO Manager). With the bulk of business transactions now taking place in the CBO, Roscoe and Livingston Manor would be in a position to share a single business manager, resulting in a net reduction of 1 position.

Both districts are currently using Infomatics software making the transition easier to accommodate quickly.

Path B: Liberty – Sullivan West CBO

An alternate path to the proposed CBO model is sharing services between districts with known vacancies. Liberty currently has a vacant position and Sullivan West has two known staff vacancies as of July 2010. The two districts serve a combined enrollment of 2,917 (Liberty with 1,589 and Sullivan West with 1,328). Current business operations require 13.13 FTE time, which are provided by 13 core staff (this includes the current vacant position in Liberty).

Based on the proposed CBO model of providing the 10 functions to the districts, Sullivan West would transfer 3 positions to the CBO and Liberty would transfer 4 positions, including the current vacancy. Of the seven positions transferred out of the districts, three are known or projected vacancies. Once the projected vacancies occur, CGR recommends filling two of those positions. This model also assumes one of the district staff transferred will become the CBO Manager, creating a CBO operation with a total of 6 positions. To summarize, this interim CBO model would produce a net reduction of 1 position.

The districts currently use different financial software. Sullivan West recently completed a conversion to WinCap while Liberty is using Finance Manager. This model would require determining options for selecting a single software package for the CBO.

Path C: Combination CBO Model (A & B)

If the above four districts all shared operations, Roscoe, Livingston Manor, Liberty and Sullivan West, the result would be a 9 person CBO operation.

Across all four districts, business operations currently require 18.69 FTE time provided by a core staff of 18. Following the logic outlined in paths A and B, the combined CBO would have 9 total positions, with one of the transferred district staff acting as the CBO manager. Overall, this would result in a net reduction of 2 positions, 1 within the CBO and 1 at the districts from a combination of the Business Official positions at Roscoe and Livingston Manor. The districts use three different financial software packages at this time and would need to select a single software package for the CBO.

OTHER CONSIDERATIONS

Notes on Implementation

A critical component of effectively implementing the chosen model is the selection of the CBO manager. The process of identifying and selecting the proper person to lead the CBO is essential in order to mitigate start up challenges, properly engage the districts, and develop a new working team with the proper processes and procedures in place.

The CBO will be held to the same level of expectation and criteria as all district business offices. A key priority of the CBO is ensuring proper segregation of duties and establishing strong internal control measures from the start.

Local Government Efficiency Grant Funding

The New York State Local Government Efficient Grant (LGE) has provided funding to help start-up several CBOs. During the 2008-09 funding cycle the Tompkins-Tioga BOCES, with a 4 district CBO, received \$163,375 in grant funds to help cover start-up costs including reconfiguration of space, computer and office equipment, migration of the districts to a common accounting system and training. The Erie2-Chautauqua-Cattaraugus BOCES, with 6 districts in its CBO, also received \$182,895 to fund transitional costs associated with the implementation of consolidation. The Hamilton-Fulton-Montgomery BOCES received a \$38,640 grant in 2007-08 to fund start-up costs of its CBO. Sullivan County BOCES is encouraged to explore this funding option to mitigate start-up costs.

Additional Opportunities for Centralized Functions

Common Vendors and Joint Bidding

Several districts in the county have begun to jointly bid food vending contracts. This joint effort has been met with success and additional joint

bidding opportunities should be explored, for example with transportation services, and other large expense items.

Shared Business Official Positions

The two smallest school districts in the county, Roscoe and Livingston Manor should, at minimum, explore sharing a Business Official position as a way to reduce costs, especially in combination with creation of a CBO.

Neighboring and Nonparticipating Districts

The Sullivan County CBO should explore partnership with other districts in the region to build its critical mass, efficiency potential, and maximum savings to the participating districts. Sullivan BOCES currently serves eight districts. TriValley, one of the county's medium-sized districts with an enrollment of 1,173, did not participate in the CBO study. However, as a part of Sullivan BOCES could elect to receive CBO services in the future.

Establishing inter-BOCES agreements with neighboring BOCES would also provide opportunities to assemble critical mass for a cross-regional CBO operation.

CONCLUSION

Based on our findings, CGR recommends that districts participating in this study proceed to initiate a BOCES CBO. Once agreement to proceed is reached, an implementation advisory committee should be quickly established to identify and hire a CBO manager, explore potential grant funding opportunities to off-set start up costs, and begin the transition process to the desired CBO model.

The educational fiscal environment requires bold steps to reduce or shift costs in order to endure anticipated shortfalls while retaining quality instructional service levels. The Sullivan districts have an opportunity to recognize true cost savings by creating a CBO and sharing costs across districts. The greatest challenge for Sullivan County is identifying the districts that are willing to take the initial step for the benefit of the region.

APPENDIX A

Individual District Baseline Data Summaries

Summary of Roscoe Total Time Spent per Year by Function						
	District Treasurer	Business Official	Internal Claims Auditor / Teacher	Receptionist / Tax Collector	Total FTEs	# of Staff Reporting Function
Payroll	0.20	0.04	0.00	0.00	0.24	2
Purchasing	0.10	0.06	0.00	0.07	0.23	3
General Accounting	0.02	0.10	0.00	0.00	0.12	2
Accounts Payable	0.20	0.06	0.00	0.01	0.27	3
Accounts Receivable	0.03	0.01	0.00	0.00	0.04	2
Cash Management	0.10	0.02	0.00	0.00	0.12	2
Benefits	0.02	0.02	0.00	0.00	0.04	2
Budget Development	0.00	0.17	0.00	0.00	0.17	1
Budget Monitoring	0.00	0.06	0.00	0.00	0.06	1
Billing	0.01	0.01	0.00	0.00	0.02	2
Insurance	0.02	0.01	0.00	0.00	0.03	2
Capital Projects	0.00	0.02	0.00	0.00	0.02	1
Internal Claims	0.00	0.00	0.03	0.00	0.03	1
Tax Collection	0.05	0.06	0.00	0.12	0.23	3
Treasurer	0.10	0.02	0.00	0.00	0.12	2
State Reports	0.00	0.06	0.00	0.00	0.06	1
Federal Reports	0.00	0.04	0.00	0.00	0.04	1
Business management/admin/super.	0.00	0.06	0.00	0.00	0.06	1
Strategic fiscal planning	0.00	0.01	0.00	0.00	0.01	1
Records management	0.02	0.01	0.00	0.00	0.03	2
Inventory/fixed assets	0.00	0.01	0.00	0.05	0.06	2
Personnel/HR	0.10	0.02	0.00	0.00	0.12	2
Contract Administration	0.00	0.02	0.00	0.00	0.02	1
Secretarial/clerical	0.01	0.01	0.00	0.05	0.07	3
Census maintenance	0.00	0.00	0.00	0.00	0.00	0
Grant-writing	0.00	0.00	0.00	0.00	0.00	0
School lunch program	0.01	0.04	0.00	0.00	0.05	2
Transportation	0.00	0.02	0.00	0.00	0.02	1
Operations & maintenance	0.00	0.02	0.00	0.00	0.02	1
Buildings & grounds	0.00	0.02	0.00	0.00	0.02	1
Internal Audit	0.01	0.02	0.00	0.00	0.03	2
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0
Time Spent on Non-Business Office Functions(Specify)	0.00	0.00	0.97	0.70	1.67	2
Total FTEs	1	1.02	1	1	4.02	
Total FTEs Business Func. Only	1.00	1.02	0.03	0.30	2.35	

Summary of Livingston Manor Total Time Spent per Year by Function

	School Business Administrator / Treasurer	Payroll Clerk	Sr Account Clerk	Tax Collector	Internal Claims Auditor	Sup. Secretary - Records Management	Total FTEs	# of Staff Reporting Function
Payroll	0.05	0.75	0.00	0.00	0.00	0.00	0.80	2
Purchasing	0.01	0.00	0.24	0.00	0.00	0.00	0.25	2
General Accounting	0.20	0.00	0.02	0.00	0.00	0.00	0.22	2
Accounts Payable	0.01	0.00	0.40	0.00	0.00	0.00	0.41	2
Accounts Receivable	0.00	0.02	0.00	0.00	0.00	0.00	0.02	1
Cash Management	0.02	0.00	0.00	0.00	0.00	0.00	0.02	1
Benefits	0.05	0.04	0.00	0.00	0.00	0.00	0.09	2
Budget Development	0.20	0.00	0.00	0.00	0.00	0.00	0.20	1
Budget Monitoring	0.05	0.00	0.00	0.00	0.00	0.00	0.05	1
Billing	0.00	0.00	0.01	0.00	0.00	0.00	0.01	1
Insurance	0.01	0.05	0.00	0.00	0.00	0.00	0.06	2
Capital Projects	0.01	0.00	0.00	0.00	0.00	0.00	0.01	1
Internal Claims	0.00	0.00	0.00	0.00	0.01	0.00	0.01	1
Tax Collection	0.05	0.00	0.00	0.17	0.00	0.00	0.22	2
Treasurer	0.04	0.00	0.00	0.00	0.00	0.00	0.04	1
State Reports	0.05	0.04	0.00	0.00	0.00	0.00	0.09	2
Federal Reports	0.01	0.01	0.00	0.00	0.00	0.00	0.02	2
Business management/admin/super.	0.15	0.00	0.00	0.00	0.00	0.00	0.15	1
Strategic fiscal planning	0.01	0.00	0.00	0.00	0.00	0.00	0.01	1
Records management	0.01	0.02	0.00	0.00	0.00	0.03	0.06	3
Inventory/fixed assets	0.01	0.00	0.08	0.00	0.00	0.00	0.09	2
Personnel/HR	0.01	0.06	0.00	0.00	0.00	0.00	0.07	2
Contract Administration	0.01	0.00	0.00	0.00	0.00	0.00	0.01	1
Secretarial/clerical	0.01	0.01	0.01	0.00	0.00	0.00	0.03	3
Census maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Grant-writing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
School lunch program	0.02	0.00	0.04	0.00	0.00	0.00	0.06	2
Transportation	0.01	0.00	0.09	0.00	0.00	0.00	0.10	2
Operations & maintenance	0.01	0.00	0.00	0.00	0.00	0.00	0.01	1
Buildings & grounds	0.01	0.00	0.00	0.00	0.00	0.00	0.01	1
Internal Audit	0.00	0.00	0.07	0.00	0.00	0.00	0.07	1
Other (Specify)	0.00	0.00	0.03	0.00	0.00	0.00	0.03	1
Other (Specify)	0.00	0.00	0.01	0.00	0.00	0.00	0.01	1
Time Spent on Non-Business Office Functions(Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Total FTEs	1.00	1.00	1.00	0.17	0.01	0.03	3.21	
Total FTEs Business Func. Only	1.00	1.00	1.00	0.17	0.01	0.03	3.21	

Summary of Eldred CSD Total Time Spent per Year by Function

	Sr. Payroll Clerk	District Clerk / Sup. Sec.	Account Clerk	Business Manager	Internal Claims Auditor	Tax Collector	Total FTEs	# of Staff Reporting Function
Payroll	0.56	0.00	0.00	0.02	0.00	0.00	0.58	2
Purchasing	0.00	0.00	0.35	0.05	0.00	0.00	0.40	2
General Accounting	0.00	0.00	0.10	0.10	0.00	0.00	0.20	2
Accounts Payable	0.00	0.00	0.35	0.10	0.00	0.00	0.45	2
Accounts Receivable	0.00	0.00	0.05	0.02	0.00	0.00	0.07	2
Cash Management	0.00	0.00	0.00	0.02	0.00	0.00	0.02	1
Benefits	0.06	0.00	0.00	0.02	0.00	0.00	0.08	2
Budget Development	0.00	0.00	0.00	0.05	0.00	0.00	0.05	1
Budget Monitoring	0.00	0.00	0.00	0.05	0.00	0.00	0.05	1
Billing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Insurance	0.00	0.00	0.00	0.02	0.00	0.00	0.02	1
Capital Projects	0.00	0.00	0.00	0.20	0.00	0.00	0.20	1
Internal Claims	0.00	0.00	0.00	0.00	0.04	0.00	0.04	1
Tax Collection	0.00	0.00	0.00	0.00	0.00	0.17	0.17	1
Treasurer	0.00	0.00	0.00	0.05	0.00	0.00	0.05	1
State Reports	0.03	0.00	0.00	0.05	0.00	0.00	0.08	2
Federal Reports	0.02	0.00	0.00	0.05	0.00	0.00	0.07	2
Business management/admin/super.	0.00	0.00	0.00	0.05	0.00	0.00	0.05	1
Strategic fiscal planning	0.00	0.00	0.00	0.02	0.00	0.00	0.02	1
Records management	0.10	0.05	0.00	0.02	0.00	0.00	0.17	3
Inventory/fixed assets	0.00	0.00	0.00	0.02	0.00	0.00	0.02	1
Personnel/HR	0.20	0.05	0.00	0.02	0.00	0.00	0.27	3
Contract Administration	0.00	0.00	0.00	0.02	0.00	0.00	0.02	1
Secretarial/clerical	0.03	0.00	0.15	0.00	0.00	0.00	0.18	2
Census maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Grant-writing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
School lunch program	0.00	0.00	0.00	0.05	0.00	0.00	0.05	1
Transportation	0.00	0.00	0.00	0.05	0.00	0.00	0.05	1
Operations & maintenance	0.00	0.00	0.00	0.05	0.00	0.00	0.05	1
Buildings & grounds	0.00	0.00	0.00	0.05	0.00	0.00	0.05	1
Internal Audit	0.00	0.00	0.00	0.05	0.00	0.00	0.05	1
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Time Spent on Non-Business Office Functions(Specify)	0.00	0.90	0.00	0.00	0.00	0.00	0.90	1
Total FTEs	1.00	1.00	1.00	1.20	0.04	0.17	4.41	
Total FTEs Business Func. Only	1.00	0.10	1.00	1.20	0.04	0.17	3.51	

Summary of Sullivan West by FTE's Total Time Spent per Year by Function

	Asst Supt	Business Mgr./Treasurer	Secretary	Sr. Acct Clerk	Account Clerk	Payroll Clerk	Tax Collector	Internal Claims Auditor	Total FTEs	# of Staff Reporting Function
Payroll	0.01	0.02	0.00	0.00	0.50	0.50	0.00	0.00	1.03	4
Purchasing	0.10	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.60	2
General Accounting	0.00	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.45	1
Accounts Payable	0.00	0.01	0.00	0.50	0.00	0.00	0.00	0.00	0.51	2
Accounts Receivable	0.00	0.05	0.00	0.00	0.05	0.00	0.00	0.00	0.10	2
Cash Management	0.01	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.11	2
Benefits	0.04	0.01	0.00	0.00	0.40	0.00	0.00	0.00	0.45	3
Budget Development	0.20	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.23	2
Budget Monitoring	0.05	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.07	2
Billing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Insurance	0.05	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.06	2
Capital Projects	0.05	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.07	2
Internal Claims	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.03	2
Tax Collection	0.01	0.02	0.00	0.00	0.00	0.05	0.02	0.00	0.10	4
Treasurer	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.04	1
State Reports	0.05	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.07	2
Federal Reports	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	1
Business management/admin/super.	0.18	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.36	2
Strategic fiscal planning	0.05	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.07	2
Records management	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	1
Inventory/fixed assets	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	1
Personnel/HR	0.02	0.03	0.00	0.00	0.05	0.30	0.00	0.00	0.40	4
Contract Administration	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	1
Secretarial/clerical	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.06	1
Census maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Grant-writing	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	1
School lunch program	0.01	0.05	0.15	0.00	0.00	0.00	0.00	0.00	0.21	3
Transportation	0.01	0.02	0.68	0.00	0.00	0.00	0.00	0.00	0.71	3
Operations & maintenance	0.03	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.14	2
Buildings & grounds	0.01	0.04	0.11	0.00	0.00	0.00	0.00	0.00	0.16	3
Internal Audit	0.01	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	2
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.15	1
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Time Spent on Non-Business Office Functions(Specify)	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.04	2
Total FTEs	1.00	1.33	1.00	1.00	1.00	1.00	0.02	0.02	6.38	
Total FTE - Business Func. Only	0.98	1.31	1.00	1.00	1.00	1.00	0.02	0.02	6.34	

Summary of Fallsburg Total Time Spent per Year by Function

	Treasurer	Records Management	Acct Clerk	Account Clerk/Secretary	Account Clerk	Business Manager	Supt. Sec/District Clerk	Tax Collector	Internal Claims Auditor	Total FTEs	# of Staff Reporting Function
Payroll	0.05	0.00	0.00	0.50	0.20	0.00	0.00	0.00	0.00	0.75	3
Purchasing	0.00	0.00	0.20	0.00	0.00	0.05	0.00	0.00	0.00	0.25	2
General Accounting	0.20	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.35	2
Accounts Payable	0.00	0.00	0.55	0.10	0.05	0.00	0.00	0.00	0.00	0.70	3
Accounts Receivable	0.05	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.10	2
Cash Management	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	1
Benefits	0.00	0.00	0.00	0.05	0.15	0.00	0.00	0.00	0.00	0.20	2
Budget Development	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.15	1
Budget Monitoring	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.10	1
Billing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Insurance	0.00	0.00	0.00	0.00	0.08	0.01	0.00	0.00	0.00	0.09	2
Capital Projects	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01	1
Internal Claims	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.07	0.15	1
Tax Collection	0.05	0.00	0.00	0.00	0.00	0.01	0.00	0.17	0.00	0.06	2
Treasurer	0.35	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.36	2
State Reports	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	1
Federal Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Business management/admin/super.	0.00	0.00	0.00	0.00	0.00	0.56	0.00	0.00	0.00	0.56	1
Strategic fiscal planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Records management	0.00	0.10	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.11	2
Inventory/fixed assets	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01	1
Personnel/HR	0.00	0.00	0.00	0.00	0.05	0.00	0.15	0.00	0.00	0.20	2
Contract Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Secretarial/clerical	0.00	0.00	0.10	0.15	0.10	0.00	0.00	0.00	0.00	0.35	3
Census maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Grant-writing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
School lunch program	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.15	1
Transportation	0.00	0.00	0.05	0.00	0.00	0.05	0.00	0.00	0.00	0.10	2
Operations & maintenance	0.00	0.00	0.05	0.00	0.00	0.02	0.00	0.00	0.00	0.07	2
Buildings & grounds	0.00	0.00	0.05	0.00	0.00	0.02	0.00	0.00	0.00	0.07	2
Internal Audit	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.05	1
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Time Spent on Non-Business Office Functions(Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.85	0.00	0.00	0.85	1
Total FTEs	1.00	0.10	1.00	1.00	1.00	1.00	1.00	0.17	0.07	6.10	
Total FTE - Business Func. Only	1.00	0.10	1.00	1.00	1.00	1.00	0.15	0.17	0.07	5.25	

Note: Treasurer and retiring Assist. Superintendent functions combined.

Summary of Liberty Total Time Spent per Year by Function

	Typist	Typist	Account Clerk	Personnel	Claims Auditor	Tax collector	Treasurer	Payroll Clerk	Total FTEs	# of Staff Reporting Function
Payroll	0.00	0.00	0.00	0.35	0.00	0.00	0.00	0.70	1.05	2
Purchasing	0.30	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.55	2
General Accounting	0.04	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.34	2
Accounts Payable	0.00	0.03	0.60	0.00	0.00	0.00	0.00	0.00	0.63	2
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Cash Management	0.00	0.01	0.00	0.00	0.00	0.00	0.02	0.00	0.03	2
Benefits	0.10	0.05	0.00	0.15	0.00	0.00	0.00	0.00	0.30	3
Budget Development	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.40	1
Budget Monitoring	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.12	1
Billing	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.20	1
Insurance	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	1
Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	1
Internal Claims	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.11	1
Tax Collection	0.05	0.05	0.00	0.00	0.00	0.08	0.00	0.00	0.18	3
Treasurer	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.20	1
State Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.19	1
Federal Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.10	1
Business management/admin/super.	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.00	0.35	1
Strategic fiscal planning	0.00	0.00	0.04	0.00	0.00	0.00	0.01	0.00	0.05	2
Records management	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.15	0.25	2
Inventory/fixed assets	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.01	1
Personnel/HR	0.00	0.00	0.00	0.25	0.00	0.00	0.10	0.10	0.45	3
Contract Administration	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	1
Secretarial/clerical	0.25	0.00	0.10	0.05	0.00	0.00	0.00	0.05	0.45	4
Census maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Grant-writing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
School lunch program	0.25	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.26	2
Transportation	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	1
Operations & maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Buildings & grounds	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.05	1
Internal Audit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.40	1
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Time Spent on Non-Business Office Functions(Specify)	0.00	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.60	1
Total FTEs	1.00	1.00	1.00	1.00	0.11	0.08	2.20	1.00	7.39	
Total FTE - Business Func. Only	1.00	0.40	1.00	1.00	0.11	0.08	2.20	1.00	6.79	

Summary of Monticello CSD Total Time Spent per Year by Function

	Account Clerk	Account Clerk	Dist. Accountant	Treasurer	Sr. Account Clerk	Sr. Account Clerk	Personnel Specialist	Sr. Account Clerk / Tax Collector	Ast. Supt.-Bus.	Secretary to Ast. Supt.-Bus.	Total FTEs	# of Staff Reporting Function
Payroll	0.00	0.00	0.00	0.22	0.40	0.65	0.00	0.40	0.03	0.00	1.70	5
Purchasing	0.05	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.85	3
General Accounting	0.10	0.00	0.15	0.06	0.10	0.05	0.00	0.05	0.00	0.00	0.51	6
Accounts Payable	0.70	0.15	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.90	3
Accounts Receivable	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	1
Cash Management	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.10	2
Benefits	0.00	0.00	0.00	0.00	0.20	0.00	0.10	0.00	0.00	0.00	0.30	2
Budget Development	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.17	2
Budget Monitoring	0.00	0.05	0.10	0.05	0.00	0.00	0.00	0.00	0.05	0.00	0.25	4
Billing	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	1
Insurance	0.00	0.00	0.00	0.05	0.20	0.00	0.00	0.00	0.02	0.00	0.27	3
Capital Projects	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.25	2
Internal Claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Tax Collection	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.50	0.03	0.00	0.60	3
Treasurer	0.00	0.00	0.00	0.25	0.00	0.10	0.00	0.00	0.00	0.00	0.35	2
State Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.05	1
Federal Reports	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.25	2
Business management/admin/super.	0.05	0.00	0.05	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.24	3
Strategic fiscal planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Records management	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.07	2
Inventory/fixed assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Personnel/HR	0.00	0.00	0.00	0.00	0.05	0.10	0.60	0.00	0.05	0.00	0.80	4
Contract Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.05	1
Secretarial/clerical	0.05	0.05	0.00	0.00	0.05	0.10	0.15	0.05	0.00	0.50	0.95	7
Census maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Grant-writing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
School lunch program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.10	1
Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.10	1
Operations & maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.05	1
Buildings & grounds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.03	1
Internal Audit	0.00	0.00	0.10	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.16	2
Other (Specify)	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	1
Other (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Time Spent on Non-Business Office Functions (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.10	0.50	0.75	3
Total FTEs	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	10.00	
Total FTE- Business Func. Only	1.00	1.00	1.00	1.00	1.00	1.00	0.85	1.00	0.90	0.50	9.25	

APPENDIX B

Proposed CBO Model Percent of Staff Time Calculations

CBO Model with All Existing Current Staff		
	% of Time Dedicated to Functions Shifted to CBO	% of Time to be picked up by remaining district staff
ROSCOE		
Business Official	40%	60%
District Treasurer	67%	33%
Internal Claims Auditor / Teacher	0%	
Receptionist / Tax Collector	0%	
Total % of Time	107%	93%
LIVINGSTON MANOR		
School Business Administrator / Treasurer	39%	61%
Payroll Clerk	92%	8%
Sr Account Clerk	66%	34%
Sup. Secretary - Records Management	0%	
Tax Collector	0%	
Internal Claims Auditor	0%	
Total % of Time	197%	103%
ELDRED		
Business Manager	36%	64%
Sr. Payroll Clerk	87%	13%
District Clerk / Sup. Sec.	5%	0%
Account Clerk	85%	15%
Tax Collector		
Internal Claims Auditor		
Total % of Time	213%	92%
SULLIVAN WEST		
Asst Supt	22%	78%
Business Mgr./Treasurer	46%	54%
Secretary	0%	100%
Sr. Acct Clerk	100%	0%
Account Clerk	100%	0%
Payroll Clerk	80%	20%
Tax Collector		
Internal Claims Auditor		
Total % of Time	348%	252%

CBO Model with All Existing Current Staff (continued)		
	% of Time Dedicated to Functions Shifted to CBO	% of Time to be picked up by remaining district staff
FALLSBURG		
Business Manager	5%	95%
Treasurer	30%	70%
Acct Clerk	75%	25%
Account Clerk/Secretary	80%	20%
Account Clerk	51%	49%
Supt. Sec/District Clerk	15%	85%
Tax Collector		
Internal Claims Auditor		
Records Management		
Total % of Time	256%	344%
LIBERTY		
Treasurer	31%	69%
Vacant Position	80%	20%
Typist	44%	56%
Typist	8%	92%
Account Clerk	85%	15%
Personnel	75%	25%
Payroll Clerk	80%	20%
Tax collector	0%	
Claims Auditor	0%	
Total % of Time	403%	297%
MONTICELLO		
Ast. Supt.-Bus.	28%	72%
Sr. Account Clerk	85%	15%
Sr. Account Clerk	85%	15%
Dist. Accountant	40%	60%
Treasurer	33%	67%
Sr. Account Clerk	75%	25%
Sr. Account Clerk	80%	20%
Personnel Specialist	70%	30%
Sr. Account Clerk / Tax Collector	45%	55%
Secretary to Ast. Supt.-Bus.	0%	100%
Total % of Time	541%	459%

Summary of FTE Percent of Time Allocated to CBO and Districts for the 10 CBO Functional Areas

	% of Time Dedicated to Functions Shifted to CBO	% of Time to be picked up by remaining district staff	Total Staff Time
Total % of Time All Districts	2065%	1640%	3705%
FTE	20.65	16.40	37.05