



# Sidney Central School District

## Expenditure Control and Student Achievement

### Report of Examination

Period Covered:

July 1, 2012 — February 20, 2014

2014M-163



Thomas P. DiNapoli

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# State of New York Office of the State Comptroller

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## **Division of Local Government and School Accountability**

August 2014

Dear District Officials:

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

Following is a report of our audit of the Sidney Central School District, entitled Expenditure Control and Student Achievement. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the General Municipal Law.

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

Respectfully submitted,

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

# Introduction

## Background

The Sidney Central School District (District) is located in the Towns of Franklin, Guilford, Masonville, Sidney, Unadilla and Walton in Delaware, Chenango and Otsego Counties.

The District is governed by the Board of Education and comprises seven elected members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction.

The District operates two school buildings with approximately 1,100 students, of which 131 are classified as learning disabled and enrolled in the District's special education programs. The District's budgeted appropriations for the 2014-15 fiscal year are approximately \$24.6 million, funded primarily with State Aid and real property taxes. The District is a component unit of the Delaware-Chenango-Madison-Otsego (DCMO) Board of Cooperative Educational Services (BOCES). Prior to 2012, the District contracted with DCMO BOCES to fulfill the requirements of 11 special education students' individual education programs (IEP).<sup>1</sup>

## Objective

The objective of our audit was to examine the District officials' actions to control expenditures and improve student achievement. Our audit addressed the following related question:

- Did District officials take cost-effective action to control expenditures and improve student achievement?

## Scope and Methodology

We examined the District's technology and special education expenditures, cost savings analyses, real property taxes and test scores for the period July 1, 2012 through February 20, 2014. We extended our scope back to July 1, 2009 to review technology and special education expenditures and real property tax trends and to compare test scores to other districts.

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

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<sup>1</sup> An IEP outlines the plans for how teachers and service providers will help each individual student with a learning disability learn more effectively.

**Comments of  
District Officials**

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

## Expenditure Control and Student Achievement

District officials have a duty to provide necessary programs that enhance and allow students to achieve the highest level of academic excellence possible while controlling the financial impact to taxpayers. District officials should seek opportunities, where applicable, to identify cost savings that may minimize expenditures, reduce the taxpayers' burden and increase student achievement. To minimize and control expenditures, District officials should obtain as much pertinent data as possible to perform cost benefit analyses for all programs offered before implementing changes. Furthermore, New York State school districts are required to provide academic intervention services (AIS) to any students in Grades 3-8 who do not reach a level three proficiency on the State's annual standardized tests.<sup>2</sup> By effectively using teaching and learning technologies, school districts can increase educational productivity by accelerating the rate of learning as well as reduce the costs associated with instructional materials and program delivery.<sup>3</sup>

We commend District officials for the steps they have taken to increase educational productivity and reduce the costs associated with instructional materials and program delivery. During the budget development process for fiscal year 2011-12, District officials decided to control expenditures and improve student achievement by using technology and bringing most special education programs in-house. In fiscal year 2010-11, approximately 47 percent of the District's students in Grades 3-8 received AIS, including those enrolled in special education programs. District officials took action in March 2011 to raise students' standardized test scores using teaching and learning technologies. As a result, from 2010 to 2013 the District's test score ranking increased by almost 43 percent. District officials also decreased special education costs by using State and BOCES aid to finance additional teaching and learning technology, while at the same time reducing the District's real property tax levy.

District officials performed cost benefit analyses prior to implementing these program changes and identified various ways to control expenditures while raising students' standardized test scores. For example, District officials initiated changes that reduced general fund expenditures by more than \$613,000 annually while obtaining more than \$1.6 million in new computer equipment with no net increase in general fund costs.

<sup>2</sup> State school districts require that students in Grades 3-8 take common core English Language Arts and Mathematics standardized tests.

<sup>3</sup> For more information, see the United States Department of Education's website: [www.ed.gov/oii-news/use-technology-teaching-and-learning](http://www.ed.gov/oii-news/use-technology-teaching-and-learning).

We inquired of District officials how expenditures were controlled and student achievement increased (including for those students in the District's special education program) while reducing the taxpayers burden. We calculated the amount of funds spent on new technology programs and related computer equipment used to increase student test scores. We compared the District's test score rankings with other districts<sup>4</sup> and verified District cost savings analyses. We calculated general fund special education costs related to the District's special education program after the program was brought in-house in total and on a per classified student basis. We also compared the District's real property tax levy trends for the four completed fiscal years of 2009-10, 2010-11, 2011-12 and 2012-13. Our audit procedures disclosed the following:

- District administrators and staff determined in March 2011 that moving BOCES special education classrooms in-house would not only be a more cost-effective way to provide needed services, but would also help increase student achievement. Therefore in 2011, District officials moved 11 students attending special education classes at DCMO BOCES to District in-house special education classrooms. As a result, costs decreased by more than \$613,000 for the fiscal years 2010-11 through 2011-12. Additionally, the average annual cost per each of these students fell from nearly \$18,000 in 2010-11 to less than \$15,000 in 2011-12.
- From fiscal years 2010-11 through 2013-14, District officials upgraded teaching and learning technology at a total cost of approximately \$1.6 million. Officials spent approximately \$1.09 million for student achievement software<sup>5</sup> and \$526,000 for the computer equipment needed to run the software. These costs were all covered through State and BOCES aid.
- District officials determined that replacing printed textbooks with e-books<sup>6</sup> would not only save the District approximately \$139,000 over a ten-year period but may also help increase student test scores by ensuring that students have access to the most current information available.

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<sup>4</sup> We compared the District's Grades 3-8 standardized test results with all school districts with student populations greater than 900 and less than 2,000 located within the nine counties serviced by the State Comptroller's Local Government and School Accountability Binghamton Regional Office: Broome, Chenango, Cortland, Delaware, Otsego, Schoharie, Sullivan, Tioga and Tompkins Counties.

<sup>5</sup> Student achievement software allows students and teachers to interact in an online environment which monitors students' activities as well as their progress. These programs can be accessed through a computer at the school or at home.

<sup>6</sup> An electronic version of a printed book that is readable on a computer or other electronic device

At the same time that District officials were implementing these new programs and technologies, the Board reduced the real property tax levy by \$342,000 or 5.2 percent. The adopted 2014-15 fiscal year budget includes an additional \$157,000 or 2.5 percent decrease in the real property tax levy.

Since implementing various programs and technology advancements for students in Grades 3-8, the District's passing test score ranking, including scores for students in special education programs, increased by almost 43 percent. The District's combined Grades 3-8 student test scores in 2010 ranked 21st of 26 school districts for passing scores on the standardized tests. However, for the 2013 testing period, the District's combined Grades 3-8 student test scores ranked 12th of these same school districts.



## **APPENDIX A**

### **RESPONSE FROM DISTRICT OFFICIALS**

The District officials' response to this audit can be found on the following page.



# SIDNEY CENTRAL SCHOOL DISTRICT

95 WEST MAIN STREET • SIDNEY, NEW YORK 13838 • 607-561-7700 • FAX 607-563-2386

William H. Christensen, Ed.D, Superintendent of Schools

August 19, 2014

H. Todd Eames, Chief Examiner  
Office of the State Comptroller  
State Office Building, Room 1702  
44 Hawley Street  
Binghamton, New York 13901-4417

Dear Mr. Eames:

On behalf of the Sidney Central School District and the Board of Education, I want to thank the New York State Comptroller's Office Auditors for their complete and beneficial report.

We recognize, like any organization, that there is always room for improvement and we truly appreciate the audit report recognizing the significant academic improvement we have made over the past four years. Additionally, we appreciate the report validating our continued goal of linking financial resources to the academic program in our district. We strongly believe that public schools have the fiduciary duty to ensure resources that the district appropriates annually during the budget process are effectively part of the school improvement process and ultimately can quantitatively produce an increase in student achievement. We are pleased to see that the auditors recognized our student achievement improvement and effectively linked it to how our district spends its money.

In closing, again, we would like to thank the auditors for their time and hard work and appreciate the feedback from the report. We look forward to continuing to implement research based school improvement measures, ensuring district expenditures link to measurable improvement in student achievement.

Sincerely,

William H. Christensen, Ed.D  
Superintendent of Schools

*"Challenging Students to Achieve Their Greatest Potential"*  
[www.sidneycsd.org](http://www.sidneycsd.org)

## APPENDIX B

### AUDIT METHODOLOGY AND STANDARDS

The overall objective of our audit was to determine if District officials took action in a cost-effective manner while controlling expenditures and increasing student achievement for the period July 1, 2012 through February 20, 2014. We extended our scope back to July 1, 2009 to review technology purchases and cost savings in the District's special education program. To accomplish our objective and to obtain valid audit evidence, we performed the following steps:

- We made inquiries of District officials to determine how expenditures were controlled and student achievement increased (including for those students in the District's special education program), while reducing the taxpayers' burden.
- We calculated the amount of funds spent on new technology programs and related computer equipment to increase student test scores.
- We compared the District's test score rankings with other districts with student populations greater than 900 and less than 2,000 in a nine county region to determine how the District ranked and the trends in rankings from 2010 to 2013.
- We verified the Superintendent's cost savings analysis on textbooks compared to e-books.
- We calculated the reduction in the general fund special education cost related to the District's special education program after the program was brought in-house from DCMO BOCES in total and on a per classified student basis.
- We also compared the District's real property tax levy trends to verify that District officials decreased costs to taxpayers.

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

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Gabriel F. Deyo, Deputy Comptroller  
Nathalie N. Carey, Assistant Comptroller

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