



Dr. Robert Glass
Superintendent of Schools
rglass5100@bcSDny.org

July 24, 2025

Mr. James L. Latainer
Chief of Municipal Audits, Newburgh Regional Office
Local Government and School Accountability
33 Airport Center Drive,
Suite 102
New Windsor, New York 12553

Dear Mr. Latainer:

The Bedford Central School District (BCSD) is pleased to provide this response to the Audit Results provided by your office on June 24, 2025 covering the audit period from July 1, 2022 through June 30, 2024.

I would like to begin by thanking you and your team for working with BCSD district officials in a thorough and professional manner throughout this process, and for meeting with us at key points in the process prior to issuance of the final report. Your team was courteous, thorough and responsive. The District appreciates the comprehensive review of the District's financial operations that did not find fraud or malfeasance, and that was in compliance with appropriate auditing standards, protocols, processes and procedures. However, the Audit did identify an issue with Medicaid reimbursement.

The District agrees with the Audit Finding given the construction of the Audit Objective which focused exclusively on whether District officials claimed "all Medicaid reimbursements to which the District was entitled". Embedded within the wording of this question is the assumption that all districts *should* claim Medicaid Reimbursements and that all Boards of Education *should* have policies and procedures for doing so. However, as noted in the Audit Findings, Medicaid reimbursement is not a requirement, inviting one to wonder whether its optionality relates to the variability of the financial benefit to a given district at a given time.

The BCSD administration had considered at various points between 2014 and 2023 the expected net return for Medicaid billing and made recommendations to the Board of Education, in some cases working with third party companies who assist with the process and assessment. In March 2019 Board of Education Minutes indicate that the Board intentionally decided not to pursue Medicaid reimbursement based on its review of the analysis at that time. The topic of Medicaid billing was again visited and not moved forward in 2022-23 under new leadership in the Business and Special Education offices. The District has consistently recognized that moving forward with Medicaid reimbursement requires confidence that anticipated revenues will exceed any frontloaded commitment of overhead, including collective bargaining implications, additional responsibilities of service providers, administrative personnel to do the accounting of information and processing of billing to Medicaid for reimbursement, training costs. In addition, it is highly unlikely, even with diligent attention and effort, that the Medicaid reimbursements will yield

anywhere near the estimated reimbursement amounts set forth in the report. None of these considerations and costs are recognized in the calculus provided by the Audit Report. Any movement forward without substantial confidence in the value proposition would be putting community taxpayer resources at risk.

Because the premise embedded within the construction of the Audit Objective naturally leads to the Finding that “the Board and District officials did not claim Medicaid reimbursements for eligible services or develop written policies or procedures,” one could assume that revenue was lost to the District because District personnel somehow failed to simply follow an established Medicaid billing process. We feel it important to state that the District consciously decided not to claim Medicaid reimbursements in order to avoid any situation in which the overhead commitment might exceed anticipated revenues. Accordingly, no system for Medicaid billing was established, and we therefore do not believe there was personnel or policy failure within the District.

With regard to the estimated dollar value of Medicaid eligible services and evaluation, we feel compelled to note that the number indicated over the two-year period is a gross number. As stated above, costs for additional personnel and administrative overhead, either third party or employee-based, are commonly required to complete the Medicaid billing process and were not factored into the Audit Finding to produce a net number.

The District appreciates that the Audit Findings point to a one-year tripling in estimated reimbursable amounts between 2022-23 (\$281,167) and 2023-24 (\$850,999). This unanticipated and surprisingly rapid jump suggests that while earlier assessments did not net significant revenue estimates after factoring in added costs, perhaps the more recent landscape has changed the value proposition. The District values the Comptroller’s partnership in finding the opportunities in the referenced years and supports the premise that the District should take another look at Medicaid reimbursement to benefit District operations while potentially reducing the burden to District taxpayers.

On behalf of the BCSD administrative team and Board of Education, please accept my sincere gratitude for your partnership in the Audit process to provide a data-driven approach that helps ensure the efficient use of precious taxpayer funds. We always look for ways to improve our financial operations. We appreciate your team’s approach in working with us and we look forward to submitting for your consideration our Corrective Action Plan (CAP) within the next 90 days.

Please feel free to reach out with any additional questions that may arise going forward, as we remain at your service.

Sincerely,



Robert J. Glass, PhD
Superintendent, Bedford Central School District