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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

January 6, 2015

Roberto Velez  
Acting Commissioner  
Office of Children and Family Services  
52 Washington Street  
Rensselaer, NY 12144

Re: Management of Energy Consumption  
Report 2014-F-18

Dear Commissioner Velez:

According to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Office of Children and Family Services (OCFS) to implement the recommendations contained in our audit report, *Management of Energy Consumption* (Report 2011-S-4), issued on May 9, 2013.

**Background, Scope and Objective**

As of March 31, 2014, OCFS employed 3,260 staff and, as of October 17, 2014, operated 14 facilities throughout the State to house juvenile delinquents and juvenile offenders. OCFS energy costs for items such as fuel oil, natural gas and electricity comprise a major portion of the agency's budget. For the year ending March 31, 2014, these costs totaled \$2,982,950.

New York State Executive Order 111 (EO 111), issued in June 2001, directed State agencies and public authorities to reduce their energy consumption by 35 percent by calendar year 2010. EO 111 was later revoked on December 28, 2012 and superseded by Executive Order 88 (EO 88), which now requires that State agencies occupying 20,000 square feet or more of space in State buildings to increase their energy efficiency by 20 percent by April 1, 2020. Eight OCFS facilities meet the criteria to be covered by EO 88. The baseline figures for their efficiency calculation are the average energy usage per square foot for the 2010-11 year.

Our initial audit examined whether OCFS officials were effectively managing energy consumption. We found they were not. We also examined whether the agency had achieved the reduction goals set forth in EO 111 and estimated OCFS could have saved approximately \$930,000 in energy costs during 2010 had it met the energy reduction goals stipulated in EO 111. The objective of our follow-up was to assess the extent of implementation, as of October 31, 2014, of the two recommendations included in our initial report.

## **Summary Conclusion and Status of Audit Recommendation**

We found OCFS officials have made significant progress in addressing the issues identified in our initial report. Both of the two prior audit recommendations have been implemented.

### **Follow-Up Observations**

#### **Recommendation 1**

*Develop and implement a centralized plan to reduce energy consumption.*

Status - Implemented

Agency Action - OCFS created a plan that projects yearly energy usage through 2019-20 for the eight facilities covered by EO 88, as well as a schedule that specifies projects that will be initiated each year at various facilities to further reduce energy consumption. The plan projects a 23 percent energy savings by 2019-20, which exceeds the 20 percent savings required by EO 88. To address implementation, in January 2014, OCFS appointed a full-time employee, known internally as the "Energy Czar," to oversee the implementation of the plan. The Energy Czar makes monthly visits to each facility to review energy consumption and ensure usage is in line with projections, to take corrective measures if usage exceeds projections, and to answer any questions that staff may have regarding ways to further reduce energy consumption. Training programs have also been held to assist facility staff in meeting energy efficiency requirements and a newsletter ("EO88UPDATE") has been developed to provide the facilities with best practices information and reminders of tasks that need to be performed. Finally, OCFS has also created an energy audit plan, and has conducted several reviews to identify additional opportunities to reduce energy usage. More energy audits are scheduled for 2015.

#### **Recommendation 2**

*Retain energy usage data for all OCFS facilities so reduction achievements can be measured appropriately.*

Status - Implemented

Agency Action - In May 2013, OCFS implemented a new Facility Reporting for Energy Efficiency (FREE) system, which captures energy usage data for all facilities. Maintenance staff at the facilities enter energy usage into handheld devices, which is then uploaded directly into the FREE system and monitored against actual energy bills as they are received, a process that greatly reduces the risk of incorrect or missing data. The data is retained and monitored by management, including the Energy Czar, who tracks actual energy usage against projections and targets developed for each year.

Major contributors to this report were Todd Seeberger and Dick Gerard.

We thank OCFS management and staff for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Donald D. Geary  
Audit Manager

cc: James Conway, Director of Internal Audit  
Ralph Timber, Audit Liaison