



## 2015-2016 Tentative Budget



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March 20, 2015

Dear Colleagues:

As you prepare a budget for the 2015-2016 school year Questar III BOCES stands poised and ready to serve your needs and to provide cost savings through our various shared programs and services.

The work of New York State's BOCES demonstrate the power of inter-municipal cooperation to achieve economies and efficiencies, expand educational opportunity, close gaps in student achievement, improve educational equity and serve children.

On behalf of the Questar III Board of Education, it is our pleasure to invite component district board of education members to our Annual Meeting on April 1 at our conference center in Castleton. Questar III conducts an Annual Meeting to review its tentative operating plan, in accordance with state law.

We also invite you to learn more about next year's proposed program and service budgets by reading this document. With BOCES as a catalyst, we will continue to work together to offer hands-on programs and services that serve children and districts regardless of enrollment, income or size of tax base.

Looking ahead, challenges remain as we seek to help school districts contain state mandate-driven costs and still provide extraordinary learning opportunities for students. Our cooperative and collaborative approach, time-tested for more than 50 years, continues to achieve positive results for our school districts.

Thank you for your interest and support for our continuing efforts to serve your students, school districts and communities.

A handwritten signature in black ink, appearing to read "Robert H. Gibson".

Robert H. Gibson  
President  
Questar III BOCES

A handwritten signature in blue ink, appearing to read "Gladys Cruz".

Gladys Cruz  
Deputy Superintendent/Chief Operating Officer  
Questar III BOCES

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## **Executive Summary**

Questar III continues to manage its costs very aggressively.

The administrative budget, which is subject to approval of component district boards of education, provides for a variety of operational and support activities of the BOCES as well as services to school districts.

The proposed administrative budget of \$5,835,872 is at contingency level, with only an OPEB related increase of \$265,750 or 4.77 percent from the previous year. Revenues for the administrative budget include non-component administrative fees, statewide service administrative fees, fees from administering various grants and contracts, and interest. These total \$837,252 for 2015-2016. The difference between these revenues and the expenses funded in the administrative budget is raised through charges to 22 component school districts. This is our equivalent of a "tax levy." For 2015-2016 the actual administrative charge to component districts is \$4,998,620.

New York State Law requires the boards of education of each of our 22 component school districts to convene on Tuesday, April 21, 2015 to vote on the proposed administrative budget. The administrative budget is the only portion of the BOCES budget voted on.

This meeting must also include a vote to fill three BOCES board positions with terms expiring on June 30, 2015. The component district board of education members' participation in the April 21<sup>st</sup> meeting is of critical importance to the BOCES efforts to effectively serve the component school districts and their students.

The budget for a BOCES differs in several significant ways from that of a school district. The most noticeable difference is that its total budget is actually a collection of several independent budgets. Another difference is that BOCES budgets are strictly revenue-based. That is, they are governed by the revenue generated rather than predetermined expenditures as with school districts.

As a result, final program budgets for the 2015-2016 school year will depend upon service requests from districts. Each tentative program budget is adjusted as enrollments or district participation varies.

Budgets for services, programs and grants make up approximately 89 percent of Questar III's total budget. A large percentage of services are instructional programs that include career and technical education and special education services for students.

## Total Budget – Executive Summary

EXPENDITURE CATEGORY	ACTUAL	ADJUSTED	PROPOSED
	EXPENDITURES	BUDGET	BUDGET
	2013/14	2014/15	2015/16
INSTRUCTIONAL SALARIES	\$ 17,678,753	\$ 17,911,768	\$ 17,846,249
NON-INSTRUCTIONAL SALARIES	\$ 5,721,134	\$ 6,638,799	\$ 6,766,557
EQUIPMENT	\$ 3,210,896	\$ 3,463,739	\$ 3,239,500
SUPPLIES & MATERIALS	\$ 1,411,741	\$ 1,986,194	\$ 1,703,319
CONTRACTUAL SERVICES	\$ 2,957,512	\$ 4,226,522	\$ 2,940,422
PROFESSIONAL SERVICE CONTRACTS	\$ 1,066,583	\$ 2,108,505	\$ 1,281,502
RENTAL OF FACILITIES	\$ 1,013,194	\$ 1,175,071	\$ 1,211,611
PAYMENTS TO SCHOOLS DISTRICTS & OTHER BOCES	\$ 10,545,424	\$ 14,073,624	\$ 13,917,464
EMPLOYEE FRINGE BENEFITS	\$ 10,284,192	\$ 13,742,393	\$ 14,089,892
POST RETIREMENT BENEFITS	\$ 1,518,924	\$ 2,675,000	\$ 2,940,750
TRANSFER TO CAPITAL	\$ 598,000	\$ 505,402	\$ 500,000
TRANSFER CHARGES FROM OPERATIONS & MAINT	\$ 1,601,788	\$ 2,305,133	\$ 2,079,921
TRANSFER CHARGES FROM OTHER SERVICES	\$ 2,616,012	\$ 3,043,072	\$ 3,155,027
TRANSFER CREDITS	\$ (1,531,500)	\$ (1,576,331)	\$ (1,692,102)
<b>TOTAL</b>	<b>\$ 58,692,653</b>	<b>\$ 72,278,891</b>	<b>\$ 69,980,112</b>

EXPENDITURE CATEGORY	ACTUAL	ADJUSTED	PROPOSED
	EXPENDITURES	BUDGET	BUDGET
	2013/14	2014/15	2015/16
CENTRAL ADMINISTRATION	\$ 4,102,992	\$ 6,011,628	\$ 5,835,872
CAPITAL (RENTS AND LEASES)	\$ 1,541,968	\$ 1,618,650	\$ 1,647,611
CAREER & TECHNICAL EDUCATION	\$ 7,755,688	\$ 8,680,781	\$ 9,060,053
SPECIAL EDUCATION	\$ 18,257,269	\$ 22,889,395	\$ 21,689,377
ITINERANT SERVICES	\$ 1,613,780	\$ 2,680,311	\$ 2,343,265
GENERAL EDUCATION	\$ 5,188,141	\$ 4,422,678	\$ 5,097,186
INSTRUCTIONAL SUPPORT	\$ 6,384,201	\$ 6,852,435	\$ 7,117,890
DISTRICT SUPPORT	\$ 8,576,871	\$ 12,577,616	\$ 11,571,858
SPECIAL AID FUND	\$ 5,271,743	\$ 6,545,397	\$ 5,617,000
<b>TOTAL</b>	<b>\$ 58,692,653</b>	<b>\$ 72,278,891</b>	<b>\$ 69,980,112</b>

## **BOCES Overview**

Boards of Cooperative Educational Services (BOCES) are public education cooperatives that serve as extensions of local school districts. A BOCES provides programs and services that districts are unable to offer on their own or that are more economical to share with other districts.

The New York State Board of Regents and the Commissioner of Education charge the state's 37 District Superintendents and BOCES with providing leadership and support in developing the capacity of local schools to enable students to meet the state learning standards and graduation requirements.

Questar III BOCES serves 22 component districts (and one non-component) in Rensselaer, Columbia and Greene counties and provides more than 275 shared services to more than 640 school districts statewide.

## **How Questar III Operates**

Questar III BOCES helps school districts operate more efficiently and cost-effectively by pooling their resources and sharing costs. BOCES services are created when two or more school districts have similar needs that can be met by sharing staff members, classroom/office space, equipment, time or expertise.

BOCES has been – and continues to be – an agent for change and a vehicle for family and student choice in our public education system. Through BOCES, school districts can provide a rich variety of learning experiences for students of all interests, ages and abilities.

Like public school districts, Questar III is governed by a policy-making board of education. The 11 members of the Questar III board serve three-year terms and are elected by component boards through a special vote held each April. Questar III board members either serve or have served on local school boards. Most of them also have experience as board presidents in their districts of residence.

## **How Districts Purchase Services**

All services and programs (except for administration and rent) must be requested, in writing, each year through a final service request (FSR) process approved by local superintendents. Therefore, districts only pay for their share of requested programs and services. Prior to providing any service, the BOCES must receive the approval of the Commissioner of Education through the submission of a proposed programmatic and financial operating plan for each service, known formally as a Cooperative Service Request or "Co-Ser."

Every year, each local board has the option to renew, increase, decrease or cancel any service. Questar III and the component districts enter into formal contracts through final service requests. Specified in each contract are the number and types

of services to be furnished by the BOCES, the number of students to be served, and the amount to be paid to the BOCES.

## **Paying for BOCES Services**

Questar III has no taxing authority. It is funded by the member school districts forming the cooperative. As an incentive to cooperate and share resources, New York State provides aid to partially reimburse districts for participating in BOCES programs and services. Commonly known as “BOCES Aid,” these funds are actually distributed to districts based on a state approved formula. BOCES aid for Questar III districts range from 36 to 76 percent, depending on school district wealth ratios.

## **Budget History**

Questar III has been very aggressive in controlling and containing costs for component districts in spite of being faced with the same economic challenges as our region’s schools. Our budget and program development efforts continue to strive for fiscal responsibility, accountability and transparency.

We have encouraged and achieved greater participation by our component school superintendents in our decision-making process. Superintendent committees continue their active involvement in program development and rate setting. Through this collaborative process, new services are developed or existing services are refined to better meet district needs. This process has allowed Questar III to gain a better understanding of the level of shared services districts need and value.

## **Questar III Budget Philosophy**

Questar III’s work embodies three core values—*Service, Learning and Excellence*—and a commitment to *Putting Students First*.

Through its budget development process, Questar III seeks to:

- Improve its capacity to deliver educational programs that support student achievement and high academic standards.
- Be faithful stewards and make effective use of the financial resources entrusted to us by our component school districts.
- Move resources, both human and financial, closer to our students and points of service.
- Provide the best possible service to our customers as quickly as possible.
- Increase productivity and provide districts with value for their money.

## **Proposed Administrative Budget**

Questar III’s administrative budget supports the management, coordination and leadership provided by the BOCES. It includes the office of the District Superintendent and central administrative expenses, traveling expenses, and a

portion of the salaries and benefits of supervisors and administrative personnel necessary to carry out the administrative duties of the BOCES.

CENTRAL ADMINISTRATION	ACTUAL	ADJUSTED	PROPOSED
	EXPENSES	BUDGET	BUDGET
	2013/14	2014/15	2015/16
INSTRUCTIONAL SALARIES	\$ 410,862	\$ 345,389	\$ 352,883
NON-INSTRUCTIONAL SALARIES	\$ 661,399	\$ 701,207	\$ 714,453
EQUIPMENT	\$ 8,053	\$ 10,524	\$ 12,250
SUPPLIES & MATERIALS	\$ 86,550	\$ 112,319	\$ 93,694
CONTRACTUAL SERVICES	\$ 107,469	\$ 489,673	\$ 169,391
PROFESSIONAL SERVICE CONTRACTS	\$ 276,982	\$ 301,188	\$ 271,950
EMPLOYEE FRINGE BENEFITS	\$ 452,519	\$ 578,192	\$ 529,092
POST RETIREMENT BENEFITS	\$ 1,518,924	\$ 2,675,000	\$ 2,940,750
TRANSFER CHARGES FROM OPERATIONS & MAINT	\$ 33,803	\$ 66,729	\$ 66,038
TRANSFER CHARGES FROM OTHER SERVICES	\$ 546,431	\$ 731,407	\$ 685,371
<b>TOTAL</b>	<b>\$ 4,102,992</b>	<b>\$ 6,011,628</b>	<b>\$ 5,835,872</b>

The administrative budget also contains funding to support activities associated with implementation and support for the state learning standards and regional initiatives in advocacy, board workshops and trainings, certification, communications support (including facilitation), district strategic planning initiatives, emergency management, grant research, planning, superintendent professional development and superintendent searches.

Next year's proposed spending plan eliminates costs associated with fingerprinting (this is moving to a statewide vendor). There will be increases in information technology support and the records management system to strengthen the organization's infrastructure.

Questar III's proposed administrative budget for 2015-2016 is \$5,835,872, which is at a contingency budget level. This figure represents an increase of 4.77 percent from the previous year's budget, due solely to a \$265,750 projected increase in Other Post-Employment Benefits (OPEB).

However, the actual administrative charge to component districts is \$4,998,620, as this budget also includes \$432,946 in revenue earned through administrative fees charged to non-components that buy our services and \$404,306 in interest and indirect cost revenues from the Special Aid Fund and other miscellaneous revenues.

Revenues from administrative fees to non-components and statewide service clients, along with fees from grants and contracts, help Questar III contain administrative costs for its 22 component districts. As our statewide services grow, net of interest income, so does our administrative revenue, which in turn reduces



administrative charges to our components. The chart below shows how these revenues have increased more than 100 percent since 2009-2010.

<u>Year</u>	<u>Revenue</u>	<u>% Change</u>
2009-10	\$377,741	
2010-11	\$603,651	59.81%
2011-12	\$711,015	17.79%
2012-13	\$728,313	2.43%
2013-14	\$769,683	5.68%
2014-15	\$778,147	1.10%
2015-16	\$813,252	4.51%

### **Other Post-Employment Benefits (OPEB) Mitigation**

Prior to the 2013-2014 school year, Questar III had a longstanding practice of setting aside funds to pay for the future expenses associated with the post-employment benefits of our retirees. This practice, which was reported annually to school districts, was a fiscally conservative approach to paying forward post-retirement benefits. Over time, our actuaries estimated it would have saved component school districts approximately 65 percent of our net OPEB obligation.

A Task Force of superintendents and business officials was convened after this practice was questioned by several districts. During the course of its work the Task Force vetted a variety of options. It also requested that the BOCES meet with the State Education Department and the Office of the State Comptroller (OSC) to seek guidance on the issue. These meetings were held on February 12, 2013 and April 16, 2013 respectively; with the BOCES submitting materials concerning the matter to both agencies.

The State Education Department did not object to the BOCES practice and deferred to the OSC. It took in excess of six months to receive a response from the OSC. The OSC's response, received on October 11, 2013 rejected the BOCES argument on the basis that the Comptroller establishes the accounting method to be used by local governments and it had chosen the modified accrual method.

The Questar III Board accepted the final OPEB Report of the Task Force, dated February 2014, at its regular meeting on April 15, 2014. This report was also shared with districts in a letter dated July 25, 2014. Please visit [www.questar.org/opeb](http://www.questar.org/opeb) for OPEB materials.

In this report, the Task Force recommended that the BOCES conduct an independent full forensic audit of the accrual to determine the source of the funds and to determine allocations to component districts and others as specifically as possible. The Task Force recommended that the independent audit should include three scenarios for returning the funds to all contributors over a five, seven or 10-year period.

Based on the recommendations of the Task Force, Questar III issued an RFP for forensic accounting of the OPEB liability and an RFP for independent legal review. The independent forensic audit work was awarded to D'Arcangelo & Co., LLP and the independent legal review was awarded to Hodgson Russ, LLP.

On July 24, 2014, the independent auditor and attorney presented their findings to superintendents and business officials at a meeting held at Rensselaer CSD. As requested, these individuals shared three scenarios, both overall and district-specific, for liquidating the accrual over a five, seven, or 10-year period, commencing in the 2015-2016 school year.

Following this meeting each district was asked to submit, in writing, any questions or comments on the methodology along with their district's preference for the liquidation time period (five, seven or 10 years). Component districts submitted questions and comments and their preference on the liquidation by August 23, 2014.

The District Superintendent indicated that funds would be liquidated based on the majority responses of component districts. The majority of districts selected the five-year liquidation plan.

In September 2014, the District Superintendent recommended six actions, based upon the requirement from the OSC that the funds be liquidated and the recommendations of the BOCES-created OPEB Task Force, the report of the independent auditor, and the independent legal review. This information was shared with superintendents on September 5, 2014.

These recommendations were responsive to district concerns about "smoothing" the impact of the necessary increase in the Questar III Administrative Budget on school district budgets over time. The recommendations also sought to manage the required liquidation in a manner that would not result in future aid offsets to districts (a decision that lies with the state, not Questar III).

Questar III, which consulted with the State Education Department throughout this process, submitted its recommendations to SED for approval. A copy of the plan was also filed with the OSC. Please see page 27 for the letter from SED accepting Questar III's OPEB proposal.

The liquidation plan, approved by SED, provides specific actions regarding the 22 component districts (and one non-component district) in the cooperative. It also provides specific actions for other districts. These actions are described below in further detail.

The \$14,285,939.01 due to components and Hoosick Falls will be liquidated over a five-year period based on data from the forensic audit findings, the majority recommendation of superintendents, and the approval of the BOCES Board. Should any credit provided to a district exceed its share of the Questar III administrative levy

in any year, the excess credit will be carried forward to the following year until exhausted.

The \$1,406,343.09 due to districts that are not part of the Questar III region will be credited to program purchases over a five-year period. Districts due credits of less than \$10,000, will be credited in one year. These credits will be subject to the same carry-forward procedures in the event program purchases do not exceed the respective annual credit.

Prior to the disbursement of funds or credits, Questar III required releases from future liability concerning the OPEB matter from any Board of Education receiving a credit. To date, Questar III has received 21 of 22 component releases and one non-component release.

### **Administrative Budget Cost Containment Strategies**

In recent years, Questar III has reduced a number of positions and implemented a vacancy control program whereby organizational needs are analyzed as vacancies occur within the agency. In addition, the business office staff now coordinate and perform a number of outside services, including claims auditor, grant management and purchasing agent (cooperative bidding) as a way to increase revenue and decrease the share component school districts contribute to support these positions.

In October 2013, the Questar III Board of Education adopted a compensation/salary plan for employees not affiliated with a bargaining unit. This board-approved plan established salary ranges and a "job rate" or salary range maximum for each position.

Questar III also implemented a number of cost-cutting measures related to employee benefits, working with the Rensselaer-Columbia-Greene Health Insurance Trust to:

- Migrate all employees and retirees from the Indemnity Plan to the PPO Plan.
- Migrate from the PPO812 to the PPO816, increasing co-pays and deductibles.
- Create a sliding scale for employee contributions based on salary ranging from 5%-15%.
- Carve out pharmacy benefits from our health insurance plan.
- Eliminate community rate or HMO products and migrate to Exclusive Provider Organization (EPO) to save on commissions and to benefit from our claims history.
- Limit coverage to employees over 0.5 FTE.

Questar III mitigated the long-term impact of post-employment benefits on our component school districts by:

- Increasing the vesting requirement for such benefits from 10 to 15 years for employees.

- Providing individual health insurance only in retirement for employees hired after July 1, 2008.
- Matching contribution rates in retirement with those in place at time of retirement.
- Reducing instructional Local Education Agency (LEA) work (or contract work for the state) where we would be required to retain long-term instructional staff that would likely retire from Questar III with other post-retirement benefits.

**District Superintendent Salary and Benefits**

The BOCES Reform Legislation of 1993 requires the presentation of the administrative budget as separate from the rent and capital budget (rents and leases). The legislation limits the salary of the District Superintendent and mandates the separate reporting of the District Superintendent salary and benefits as follows:

**State of New York portion of salary and fringe:**

<i>District Superintendent Salary</i>	\$ 43,499
<i>plus all Medicare and Social Security taxes</i>	

**BOCES portion of salary and fringe:**

<i>District Superintendent Salary</i>	\$123,263
<i>New York State Teacher Retirement</i>	\$ 16,641
<i>Health &amp; Disability Insurance</i>	\$ 26,554
<i>Workers' Compensation Insurance</i>	\$ 2,465
<i>Unemployment Insurance</i>	\$ 616
<i>Auto Allowance</i>	\$ 6,000

**Rent and Capital Budget**

There is a 1.79 percent increase in the rent/capital budget for next year. This budget includes three components: rent to schools, rent to others and transfers to capital. Rent to others includes the central office building in Schodack, Tech Valley High School® and classrooms at colleges for New Visions and special education programs.

2014 – 2015 Budget	\$1,618,650
2015 – 2016 Budget	\$1,647,611
Dollar increase	\$28,961
Percent increase	1.79%

Questar III occupies a number of instructional and office spaces in the tri-county region including space owned and leased by the BOCES. Owned spaces include the two educational centers in Hudson and Troy, the Sackett Center in Schodack and the office/warehouse facility at 1070 Route 9 in Castleton. All other space is leased.

We are nearing the completion of a three-phase renovation of the Columbia-Greene Educational Center with a total investment of \$2.6 million. However, we continue to explore options for our CTE facility in Rensselaer County. The BOCES previously deferred investment at the Rensselaer Educational Center due to the recession and its impact on our component school districts.

Questar III also continues to renew leases with school districts for instructional space including special education (Averill Park, Catskill, East Greenbush, Ichabod Crane, Rensselaer, Schodack); career-tech education (Catskill, Rensselaer); and adult education (Hudson). The classroom rental rate of \$7,000 per classroom (except new construction) is established by the Superintendents' Council.

Over the past decade Questar III worked with districts to better locate and cluster appropriate space for special education students. District costs have been reduced by this effort as there is less travel for related service personnel and resources can be deployed in a more efficient manner. It has also resulted in better quality instructional space for our special education students.

While Questar III has reduced the overall rent paid to private landlords over the past decade (in favor of rents from component districts), there is an increase in rent to others for the 2015-2016 fiscal year due to leases for college-based programs such as Sarah's Sisters at Sage, New Visions and Tech Valley High School® at SUNY Polytechnic Institute's Colleges of Nanoscale Science and Engineering (CNSE). These spaces provide our students and districts with access to hands-on experiences and partnerships with these colleges, staff and collaborators.

## **Impact of the Administrative, Rent and Capital Budgets**

Sections 1950 and 1951 of the NYS Education Law established BOCES and the requirement of member or component districts to pay a proportionate share of the administrative costs. Nineteen of our 22 component districts will see a decrease in their share of administrative, rent and capital costs (after the OPEB credit is applied).

School districts pay an annual assessment toward the support of the administrative budget based upon their Resident Weighted Average Daily Attendance (RWADA). District charges vary based upon increases or decreases in student enrollment.

## **Budget Vote**

By law, the 22 Boards of Education within Questar III are required to vote on the BOCES administrative budget on April 21, 2015. This is the only portion of the BOCES budget that component districts vote on each year.

## Program Budgets

The budget for a BOCES differs significantly from that of a school district. The most noticeable difference is that a BOCES has no taxing authority. Also, the budget is a collection of several independent budgets. Another difference is that most BOCES budgets are strictly revenue-based. That is, they are determined by the revenue generated by purchases of programs and services rather than predetermined expenditures rolled from year-to-year. As a result, final program budgets depend upon district requests in May of each year.

Whereas school district budgets are fixed, the demand for BOCES services leads to staff (and thus budget) increases or decreases during the year. Services are added or eliminated based on client demand, often in a counter-cyclical business environment (i.e., as districts face difficult times they rely more on the BOCES).

In recent years, Questar III has worked hard to contain costs and to maintain rates for school districts. The following chart shows that the majority of programs have kept rates below two percent over the past five years.

Year	% of Programs with a Rate Increase $\leq$ 0%	% of Programs with a Rate Increase $\leq$ 2%
2011-12	49.77%	69.12%
2012-13	56.03%	90.95%
2013-14	66.67%	88.19%
2014-15	55.78%	69.72%
2015-16	53.59%	87.05%

## Program Budget Highlights

### Career and Technical Education

Questar III's Career and Technical Education (CTE) programs offer high school students the opportunity to learn career skills while earning a Regents diploma, often with a technical endorsement. These half-day programs integrate classroom learning with professional training in a wide range of exciting fields ranging from aviation to welding. A number of programs result in certification (Certified Nursing Assistant) or professional certificate (Private Pilot Certificate), or licensing (Cosmetology). Other programs offer industry credentials (Construction Technology HEAT certification).

Questar III CTE programs continue to thrive with high demand by students and districts thanks to the success and reputation of our programs and the ongoing input from our Superintendent Subcommittee on Academic Programs.

CAREER & TECHNICAL EDUCATION	ACTUAL	ADJUSTED	PROPOSED
	EXPENSES	BUDGET	BUDGET
	2013/14	2014/15	2015/16
INSTRUCTIONAL SALARIES	\$ 3,433,398	\$ 3,380,022	\$ 3,670,823
NON-INSTRUCTIONAL SALARIES	\$ 554,369	\$ 460,983	\$ 568,262
EQUIPMENT	\$ 144,473	\$ 88,808	\$ 8,500
SUPPLIES & MATERIALS	\$ 248,299	\$ 310,684	\$ 330,900
CONTRACTUAL SERVICES	\$ 768,007	\$ 660,324	\$ 603,106
PROFESSIONAL SERVICE CONTRACTS	\$ 18,485	\$ 164,765	\$ 111,100
PAYMENTS TO SCHOOLS DISTRICTS & OTHER BOCES	\$ 22,645	\$ 112,700	\$ 114,954
EMPLOYEE FRINGE BENEFITS	\$ 1,760,948	\$ 2,216,074	\$ 2,466,638
TRANSFER CHARGES FROM OPERATIONS & MAINT	\$ 785,090	\$ 1,137,333	\$ 1,035,246
TRANSFER CHARGES FROM OTHER SERVICES	\$ 453,170	\$ 532,603	\$ 580,238
TRANSFER CREDITS	\$ (433,196)	\$ (383,515)	\$ (429,714)
<b>TOTAL</b>	<b>\$ 7,755,688</b>	<b>\$ 8,680,781</b>	<b>\$ 9,060,053</b>

During the 2013-2014 school year 91.03 percent of CTE students received Regents diplomas from their local high schools. It is important to note that approximately 30 percent of these students are special education students.

Other recent programmatic accomplishments include:

- Continued success in technical endorsements. Last year 80 percent of students earned this distinction, the highest rate ever.
- Decreased discipline referrals.
- Increased work-based learning experience (every student is involved in a job shadowing or internship experience in their chosen field).
- Identification of health care, engineering and advanced manufacturing, media and communications and alternative energy as part of a regional pathways initiative. Moving forward, key individuals from our districts will play a role in creating four structured pathways from high school to college to careers.

This year's budget continues to combine CTE and Tech Valley High School® rates into a five-year average. This was done at the request of our component school superintendents several years ago as it enables us to make full use of existing capacity by allowing school districts to send students to CTE or Tech Valley High School® without incurring additional costs in the current year.

Looking ahead to the 2015-2016 school year, there are several factors affecting the CTE budget. Like our districts, Questar III continues to implement the Regents Reform Agenda. The CTE budget provides support for implementation of the Common Core Learning Standards and Annual Professional Performance Review (APPR) in our CTE programs.

Additionally, we continue to realign resources and programming to better support career pathways in areas demanded by employers. In response to district requests,

we have added new satellite CTE programs at school district locations. During the 2014-2015 school year we piloted a media communications program at Catskill High School, one that will be available to all districts starting in September 2015.

Additionally, we restored the Green Technologies program at Rensselaer High School, increasing the teaching position by 0.3 FTE and purchasing additional equipment. We restructured our former Mechanical Technology program into a 3D Printing & Prototyping. We purchased additional equipment and increased the teaching position by 0.5 FTE to expand it to Rensselaer High School in the fall of 2015.

The BOCES is also exploring a Hotel and Hospitality program at Hunter-Tannersville High School. This Career Studies program, which is only offered at the Rensselaer Educational Center at this time, would expand opportunities for students to earn college credit and participate in an internship at Hunter Mountain.

## Special Education

Questar III provides an array of services for students with disabilities, based on their individual academic capabilities and social/behavioral needs.

SPECIAL EDUCATION	ACTUAL EXPENSES 2013/14	ADJUSTED BUDGET 2014/15	PROPOSED BUDGET 2015/16
INSTRUCTIONAL SALARIES	\$ 7,997,855	\$ 8,189,780	\$ 8,160,759
NON-INSTRUCTIONAL SALARIES	\$ 1,662,854	\$ 1,972,529	\$ 1,726,786
EQUIPMENT	\$ 94,686	\$ 45,042	\$ 40,000
SUPPLIES & MATERIALS	\$ 162,144	\$ 203,415	\$ 219,730
CONTRACTUAL SERVICES	\$ 142,698	\$ 311,150	\$ 282,830
PROFESSIONAL SERVICE CONTRACTS	\$ 27,906	\$ 54,670	\$ 71,000
PAYMENTS TO SCHOOLS DISTRICTS & OTHER BOCES	\$ 2,112,659	\$ 4,144,834	\$ 3,263,831
EMPLOYEE FRINGE BENEFITS	\$ 4,591,018	\$ 6,078,188	\$ 6,133,355
TRANSFER CHARGES FROM OPERATIONS & MAINT	\$ 549,054	\$ 772,669	\$ 678,390
TRANSFER CHARGES FROM OTHER SERVICES	\$ 916,395	\$ 1,117,118	\$ 1,112,696
<b>TOTAL</b>	<b>\$ 18,257,269</b>	<b>\$ 22,889,395</b>	<b>\$ 21,689,377</b>

Last year, 88 percent of students (15 out of 17) from the special education class of 2014 achieved their projected credential (Regents, local diploma, CDOS or Skills and Achievement Commencement credential) – a success that is a testament to the partnership between our staff, school districts, families, students and others. The other two students left Questar III before completing the year and their projected credentials.

The cost of delivering high-quality programs and services to students with disabilities has increased over time. As a result, we continue to explore newer, less costly ways



of doing business while educating students with disabilities in the least restrictive environment in accordance with state regulations.

In keeping with state regulations, Questar III continues to move students along our continuum of services from a more restrictive to a less restrictive environment as appropriate to meet their needs. In recent years, the 4:1:2 program had become a default placement for many students. This program is very costly.

During the 2014-2015 school year, Questar III decreased the number of 4:1:2 classes from 21 to 16. This trend will continue during the 2015-2016 school year. The 4:1:2 classes exist mainly at the elementary level, which allows Questar III to better meet students' needs at a younger age and move them along the continuum services over time. Of the students moved from a 4:1:2 to 6:1:2 placement during the 2014-2015 school year, only one moved back to the original classroom (due to factors outside our control).

This movement from 4:1:2 to 6:1:2 has allowed Questar III to not only better serve students, but also to better account for the actual cost of the 4:1:2 program. As a result, many program rates have remained the same or been reduced due to a better accounting of 4:1:2 program costs.

Questar III, working with district CSE chairs and the Superintendent Academic Subcommittee, has developed new methodology for the configuration of classes and rates. This continues the work started several years ago to address costs, including the reduction of 1:1 teaching assistant/aides needed for students.

Questar III successfully implemented several new programs and initiatives during the 2014-2015 school year. In partnership with Russell Sage, Questar III launched Sarah's Sisters for students with intellectual disabilities ages 18-21. This program, offered at the Sage campus in Troy, provides students with a learning experience in a college setting before they move to post-secondary life. The program may include auditing a college class, attending campus events and completing internships on-campus. Next year, this program will move from a 6:1:2 to a 8:1:2 program.

Additionally, the special education department piloted a 1:1 tablet program at the Sackett Educational Center (and at one Maple Hill Middle School-based class) during the 2014-2015 school year. Students and staff used iPads to complete and submit classroom assignments in a digital environment.

As with all Questar III instructional programs, the special education budget continues to support implementation of the Common Core Learning Standards and the APPR by allocating funds to support embedded professional development for our special education faculty.

## Itinerant Services

Through its itinerant services, Questar III staff members are shared between school districts. This includes both certified and specialty support personnel. Services may be provided at the local district, a BOCES site, or at another location depending on the nature of the request or service provided.

ITINERANT SERVICES	ACTUAL EXPENSES 2013/14	ADJUSTED BUDGET 2014/15	PROPOSED BUDGET 2015/16
INSTRUCTIONAL SALARIES	\$ 637,995	\$ 921,222	\$ 722,827
NON-INSTRUCTIONAL SALARIES	\$ 223,318	\$ 331,083	\$ 358,549
EQUIPMENT	\$ 723	\$ -	\$ 1,600
SUPPLIES & MATERIALS	\$ 1,340	\$ 9,986	\$ 2,705
CONTRACTUAL SERVICES	\$ 17,634	\$ 103,865	\$ 24,353
PAYMENTS TO SCHOOLS DISTRICTS & OTHER BOCES	\$ 367,626	\$ 660,630	\$ 655,384
EMPLOYEE FRINGE BENEFITS	\$ 334,839	\$ 603,234	\$ 523,842
TRANSFER CHARGES FROM OPERATIONS & MAINT	\$ 6,810	\$ 13,635	\$ 12,011
TRANSFER CHARGES FROM OTHER SERVICES	\$ 23,495	\$ 36,656	\$ 41,994
<b>TOTAL</b>	<b>\$ 1,613,780</b>	<b>\$ 2,680,311</b>	<b>\$ 2,343,265</b>

Itinerant services include: consultant teaching, music therapy, occupational therapy, orientation and mobility, physical therapy, adaptive physical education, school psychologist, psychological counseling, speech and language therapy, speech improvement, teacher of the blind/visually impaired, teacher of the deaf/hard of hearing, and transition coordination; as well as district services such as claims auditing, public information/communicator coordination and shared facilities director.

Over the past several years there has been an increase in non-instructional salaries of the itinerant services budget due to requests for our onsite communications service. Twelve districts purchased this service during the 2014-2015 school year.

Most recently, Questar III created two new Co-Sers in response to district needs (shared business manager and shared facilities director). As of March 2015, the shared facilities director Co-Ser has not been purchased by any districts.

## General Education

Questar III offers a wide array of general and alternative education offerings in distance learning, arts-in-education, pre-kindergarten, and regional competitions.

GENERAL EDUCATION	ACTUAL	ADJUSTED	PROPOSED
	EXPENSES	BUDGET	BUDGET
	2013/14	2014/15	2015/16
INSTRUCTIONAL SALARIES	\$ 993,691	\$ 885,224	\$ 869,547
NON-INSTRUCTIONAL SALARIES	\$ 66,222	\$ 77,027	\$ 104,010
EQUIPMENT	\$ 134,540	\$ 11,419	\$ -
SUPPLIES & MATERIALS	\$ 145,205	\$ 191,248	\$ 94,137
CONTRACTUAL SERVICES	\$ 50,210	\$ 35,952	\$ 11,600
PROFESSIONAL SERVICE CONTRACTS	\$ 151,493	\$ 212,731	\$ 150,500
PAYMENTS TO SCHOOLS DISTRICTS & OTHER BOCES	\$ 2,856,163	\$ 2,255,150	\$ 2,978,167
EMPLOYEE FRINGE BENEFITS	\$ 480,120	\$ 539,196	\$ 597,783
TRANSFER CHARGES FROM OPERATIONS & MAINT	\$ 94,962	\$ 117,706	\$ 93,913
TRANSFER CHARGES FROM OTHER SERVICES	\$ 215,535	\$ 97,025	\$ 197,529
<b>TOTAL</b>	<b>\$ 5,188,141</b>	<b>\$ 4,422,678</b>	<b>\$ 5,097,186</b>

## Distance Learning

Questar III works closely with the Northeast Regional Information Center (NERIC) to offer access to a distance learning network that truly exemplifies the nature of the cooperative. This allows participating districts to share courses that cannot be offered in most districts and gives students the opportunity for Advanced Placement (AP) offerings and college courses that would not otherwise be possible.

Currently there are 11 districts participating in this service. Participating schools both host and receive courses that serve more than 400 students. This includes 46 regular school and 19 summer school course selections.

During the 2014-2015 school year Questar III received grant funding to expand access to AP and pre-AP classes and exams in Catskill CSD, Germantown CSD, Greenville CSD, Rensselaer CSD and Taconic Hills CSD (in addition to Tech Valley High School®). The grant supports the development of courses, professional development, the purchase of needed technology and support for the cost of AP exams taken at the end of the course.

## Expanded Distance Learning

Questar III, in partnership with NERIC, launched a new service called Expanded Distance Learning for districts that are interested in growing their existing distance learning program, or looking to start one on a smaller scale. Key components of the service include initial and ongoing training and technical support; bridging, scheduling and recording of daily classes; program support through regional committee for course planning. There are currently eight districts participating in the service, a 50 percent increase from the prior school year.

## Online Learning

The Online Learning service was developed to respond to changes to the State Education Department's regulations. Districts can now grant credit to students who have completed coursework using online learning courseware. Questar III currently works with seven courseware vendors to offer districts choices in service plans. Fifteen districts use the service to provide credit recovery, credit accrual, home schooling, tutoring and Regents test preparation for more than 3,000 students.

## Odyssey of the Mind

This year, a record 106 teams (from 14 school districts and four private schools/home school groups) participated in the regional Odyssey of the Mind tournament at Algonquin Middle School coordinated by Questar III. Odyssey of the Mind is an international program with a mission to teach students how to solve problems creatively. It encourages them to use their imagination and learn the importance of working as a team. At least one local team has advanced to the world finals every year since 2007, including 13 teams in the past five years alone.

## Instructional Support

This budget funds high-quality professional development and other instructional support services that benefit students, teachers and administrators across the region. All school improvement initiatives are coordinated by the Office of School Improvement, which responds directly to identified needs.

	ACTUAL EXPENSES 2013/14	ADJUSTED BUDGET 2014/15	PROPOSED BUDGET 2015/16
<b>INSTRUCTIONAL SUPPORT</b>			
INSTRUCTIONAL SALARIES	\$ 1,445,960	\$ 1,268,275	\$ 1,244,596
NON-INSTRUCTIONAL SALARIES	\$ 463,562	\$ 528,131	\$ 704,855
EQUIPMENT	\$ 2,771,322	\$ 2,830,569	\$ 3,113,000
SUPPLIES & MATERIALS	\$ 376,802	\$ 454,543	\$ 401,500
CONTRACTUAL SERVICES	\$ 429,805	\$ 443,029	\$ 425,922
PROFESSIONAL SERVICE CONTRACTS	\$ 147,468	\$ 201,207	\$ 105,300
PAYMENTS TO SCHOOLS DISTRICTS & OTHER BOCES	\$ 434,472	\$ 663,250	\$ 679,676
EMPLOYEE FRINGE BENEFITS	\$ 710,281	\$ 920,500	\$ 1,040,963
TRANSFER CHARGES FROM OPERATIONS & MAINT	\$ 71,615	\$ 87,297	\$ 69,345
TRANSFER CHARGES FROM OTHER SERVICES	\$ 74,997	\$ 91,914	\$ 89,636
TRANSFER CREDITS	\$ (542,083)	\$ (636,280)	\$ (756,903)
<b>TOTAL</b>	<b>\$ 6,384,201</b>	<b>\$ 6,852,435</b>	<b>\$ 7,117,890</b>

Questar III continues to be the only BOCES in the region that offers ongoing embedded professional development in mathematics, ELA, science and integration

of technology for educators who serve all student populations. Our goal is to provide support where teachers need it the most – in the classroom.

Several years ago, through its School Improvement Office, Questar III BOCES developed a regional approach to implement the Regents Reform Agenda. A Steering Committee called the Superintendent Subcommittee on APPR, Common Core, Leadership and Professional Development spearheaded by superintendents also includes principal coaches and advisors. The Subcommittee continues to provide leadership and guidance on how Questar III can best assist districts with the implementation of the Common Core Learning Standards, APPR and other Regents Reform Agenda elements.

There continues to be strong demand for ongoing embedded professional development, which will require Questar III to hire additional staff to meet the region's needs for the 2015-2016 school year.

### **Data Coordination and Analysis**

This budget continues to support the increased responsibilities of School Improvement Data Analysts. This service provides districts with an onsite Data Coordinator/Analyst to help ensure that accurate reporting of data is accomplished. The data analysts are experts at providing this level of support, as well as providing analysis of the data and how it can be used for instructional decision making. This team ensures that changes in data reporting requirements are met by the districts they serve and that the analysis of test result data can be used effectively to make programmatic and instructional decisions leading to improved student achievement.

### **Online Professional Development**

Through a variety of online software products, several of our services offer training opportunities that allow staff to stay where they are (thus avoiding mileage costs) and participate via live, interactive sessions that incorporate all of the benefits of a face-to-face meeting.

### **Other School Improvement Efforts**

Questar III is preparing for the national launch of three online Common Core math courses in partnership with Excelsior College. We are hopeful that this product will be sold to school districts implementing the Common Core statewide and across the country – providing our BOCES with additional revenue that can be used to further support our component districts.

School Improvement also coordinates the regional scoring of the 3-8 state assessments in ELA, Mathematics, Science and the New York State English as a Second Language Achievement Test. The scoring of ELA exams will increase \$1 per test next year due to the additional scoring time needed to meet the demands of the Common Core Learning Standards.

## District Services

Districts face many challenges that require innovative solutions or a high level of technical expertise. Questar III's district services extend, enhance and enrich the capacity of participating districts. Next year, there will be minimal rate increases driven by employee costs. The cost for some services will decrease due to increased participation or process improvements.

DISTRICT SERVICES	ACTUAL	ADJUSTED	PROPOSED
	EXPENSES	BUDGET	BUDGET
	2013/14	2014/15	2015/16
INSTRUCTIONAL SALARIES	\$ 649,100	\$ 625,409	\$ 685,814
NON-INSTRUCTIONAL SALARIES	\$ 1,415,294	\$ 1,921,796	\$ 1,954,642
EQUIPMENT	\$ 57,099	\$ 335,754	\$ 51,150
SUPPLIES & MATERIALS	\$ 275,725	\$ 391,531	\$ 348,653
CONTRACTUAL SERVICES	\$ 583,783	\$ 1,388,318	\$ 675,220
PROFESSIONAL SERVICE CONTRACTS	\$ 243,412	\$ 474,077	\$ 247,652
PAYMENTS TO SCHOOLS DISTRICTS & OTHER BOCES	\$ 4,652,480	\$ 6,087,860	\$ 6,072,452
EMPLOYEE FRINGE BENEFITS	\$ 809,756	\$ 1,363,294	\$ 1,469,219
TRANSFER CHARGES FROM OPERATIONS & MAINT	\$ 60,454	\$ 109,764	\$ 124,978
TRANSFER CHARGES FROM OTHER SERVICES	\$ 385,989	\$ 436,349	\$ 447,563
TRANSFER CREDITS	\$ (556,221)	\$ (556,536)	\$ (505,485)
<b>TOTAL</b>	<b>\$ 8,576,871</b>	<b>\$ 12,577,616</b>	<b>\$ 11,571,858</b>

## Business Office Support

Questar III provides a variety of services to support the increasingly complex school district business operations. This includes a Central Business Office (CBO) service that includes grant financial management, budget analysis and long-term financial planning. The CBO service doubled in size and strength during the 2014-2015 year, adding clients that requested the service to perform all available functions.

Thanks to the Rensselaer-Columbia-Greene Health Insurance Trust (RCG HIT), local districts have successfully negotiated contract renewals with Blue Shield of Northeastern New York below the national trend. The Trust provides health benefits to over 10,000 employees, retirees and dependents. By pooling resources, the Trust leverages great purchasing power to obtain lower premiums and to spread risks over a larger number of policyholders. In fact, the Trust has been able to save its members millions of dollars over the years, serving as a model for other municipalities across the region and state.

In addition, the RCG HIT provided our districts with over 70 percent of the savings required to meet the state's new tax freeze regulation (which for our region is approximately \$3.5 million). The Trust issued a pharmacy request for proposals which saved approximately \$2.5 million per year in pharmacy costs to its members.

Furthermore, the Trust has worked aggressively to contain health care costs by 1) negotiating better pricing terms and implementing performance guarantees for vendors putting their fees at risk if they do not meet established performance standards; 2) designing plans that are data-driven, giving providers incentive for high performance; and 3) managing and improving the health of our employees and retirees.

The Questar III Purchasing Department routinely generates regional Requests for Proposals (RFP's) or bids for various goods and services. It has been our experience that regional RFP's and bids save our districts both time and money.

School compliance and accounting requirements are increasingly complex. Questar III shares its expertise to ensure that all of our components comply with the new Governmental Accounting Standards.

An aidable GASB 45/Other Post-Employment Benefits (OPEB) valuation service helps over 130 districts across the state calculate and manage their OPEB liability. We have successfully redesigned the GASB 45 service to expedite the preparation of actuarial reports and to reduce costs. Moreover, Questar III expanded the training and consulting services offered by Financial Services. This includes a Coordination of Insurance Management service to assist districts with Affordable Care Act compliance and reporting requirements.

The Fixed Asset Inventory service continues to be valued by participating districts. Questar III is in the process of completing six new physical inventories of districts.

The State Aid and Financial Planning Service is expecting to serve 645 school districts and 34 BOCES in the 2015-16 school year. The service continues to provide invaluable information and assistance to districts and BOCES in the areas of state aid, the property tax cap and other school finance and management issues. This past year, the specialists developed and delivered a new program designed to provide state aid training for new school business officials. In addition, the new STAC (System to Track and Account for Children) service continues to grow. The service is currently working with 30 districts across the state providing training, data collection and data reporting services related to claiming aid for students with disabilities.

## **Other Services**

Questar III's Health and Safety has become a statewide service which ranges from on-site support to an array of safety services and trainings that can be purchased separately. The department continues to add new cost effective services that support facility and compliance needs, including fire systems maintenance, fire alarm maintenance, virtual building tours, video security preventive maintenance, access control preventive maintenance and smoke detector sensitivity testing. The department also continues to partner with state and local law enforcement to provide a comprehensive and standardized approach to school safety.

Questar III expanded its communications offerings during the 2014-2015 school year. The Communications Service added video development as a standalone service. It is also launching new responsive website designs for districts. This design standard provides an optimal viewing experience across computers, tablets and cell phones.

Questar III and participating districts use SubFinder, an automated system where employees report absences and substitutes are placed within jobs. The system uses a series of criteria to fill substitute placements with the most qualified substitute for the position. Employee/substitute access into SubFinder is available online and by phone, with a staffed help desk from 7 a.m. to 3:30 p.m. Monday through Friday.

## Special Aid

The Special Aid Fund accounts for the proceeds from state and federal grants and other contracts that are restricted to expenditures related to those activities, operations and programs/services. The availability of funding creates challenges for these programs, which creates significant budgetary variations between years.

The Special Aid Fund represents anticipated funding for 21 programs, including Special Education Summer School, Adult License Practical Nursing (LPN), Adult Education, Library programs, Regional Bilingual Education Resource Network (RBERN), Regional Special Education Technical Assistance Support Center (RSE-TASC) and the Puerto Rican Hispanic Youth Leadership Institute (PRHYLI).

SPECIAL AID FUND	ACTUAL EXPENSES 2013/14	ADJUSTED BUDGET 2014/15	PROPOSED BUDGET 2015/16
INSTRUCTIONAL SALARIES	\$ 2,109,892	\$ 2,296,447	\$ 2,139,000
NON-INSTRUCTIONAL SALARIES	\$ 674,116	\$ 646,043	\$ 635,000
EQUIPMENT	\$ -	\$ 141,623	\$ 13,000
SUPPLIES & MATERIALS	\$ 115,676	\$ 312,468	\$ 212,000
CONTRACTUAL SERVICES	\$ 857,906	\$ 794,211	\$ 748,000
PROFESSIONAL SERVICE CONTRACTS	\$ 200,837	\$ 699,867	\$ 324,000
RENTAL OF FACILITIES	\$ 69,226	\$ 61,823	\$ 64,000
PAYMENTS TO SCHOOLS DISTRICTS & OTHER BOCES	\$ 99,379	\$ 149,200	\$ 153,000
FRINGE BENEFITS	\$ 1,144,711	\$ 1,443,715	\$ 1,329,000
<b>TOTAL</b>	<b>\$ 5,271,743</b>	<b>\$ 6,545,397</b>	<b>\$ 5,617,000</b>

The RBERN contract ends on June 30, 2015, but Questar III has reapplied for funding (and expects funding to continue). The LPN program has encountered some challenges. Questar III is in the process of conducting a review of this program. The Virtual Advanced Placement program and Teaching is the Core contracts are ending and will not be renewed. The combined budget for these two programs is approximately \$900,000.



## Explanation of Budget Line Items

The following is a description of the budget categories presented in this document. These budget classifications are those that are prescribed by the New York State Department of Audit and Control for use by all BOCES:

- **Instructional Salaries:** includes salaries of BOCES personnel who are employed in positions requiring certification by the State Education Department. These individuals are generally members of the New York State Teachers' Retirement System. Salaries of teachers, teaching assistants and administrators would be reported in this category.
- **Non-Instructional Salaries:** includes the salaries of BOCES personnel who are employed in positions that do not require certification by the State Education Department. These positions generally are classified under the state and county Civil Service commissions, and these individuals are generally members of the New York State Employees' Retirement System. Salaries of secretaries, aides and custodians would be reported in this category. Also included in this category are certain positions which require licensing by SED, but which do not require certification (i.e., physical therapists).
- **Equipment:** includes costs for the purchase of equipment, furniture and fixtures.
- **Supplies and Materials:** includes items such as textbooks, periodicals, paper, tests, records, tapes, cleaning supplies, small tools, lumber, metal, paint, hardware, uniforms, gasoline, lubricants, tires, auto parts, etc.
- **Contractual Services:** contractual and purchased services such as utilities, equipment repair, insurance, legal fees, independent auditors and accountants, other professional and technical services, rental of equipment, advertising, postage and travel expenses are reported in this category.
- **Payments to School Districts and Other BOCES:** reports expenses for services purchased from districts and other BOCES, except for facility rentals.
- **Employee Benefits:** the amounts reported in each of the various categories presented represent the Board of Cooperative Educational Services' share of employee benefits. Included in this line are amounts budgeted for state retirement systems, social security, workers' compensation insurance, unemployment insurance and health insurance.
- **Transfer Charges from Operation and Maintenance of Plant:** the amount shown in this budget category for each service program represents the share of the total costs for the operation and maintenance of Board of Cooperative Educational Services facilities that have been prorated to the particular program.
- **Transfer Charges from Other Service Programs:** represent charges to a BOCES program for the use of other services provided by Questar III.
- **Transfer Credits from Other Service Programs:** the amounts reported in this category represent credits to a particular program, due to services provided by that program to other service programs in this BOCES.

## **Questions and Answers**

### **What happens if the tentative administrative budget is not approved?**

Questar III must prepare and adopt a contingency administrative budget if a majority of the component school districts do not approve the tentative administrative budget, or if there is a tie vote (half approve, half disapprove). The proposed administrative budget of \$5,835,872 for 2015-2016 is at a contingency budget level.

### **Are there any limitations on a BOCES contingency administrative budget?**

Yes. In a contingency budget for BOCES, the amount of the administrative budget may not exceed the amount in the prior year's budget, except for expenditures incurred in the supplemental retirement allowances, including other post-retirement benefits for retirees.

# OPEB Letter from the State Education Department



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

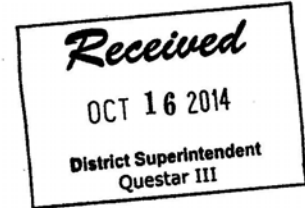
Office of P-12 Education

Charles A. Szuberla, Jr., Assistant Commissioner

Office of School Operations

Room 874 EBA

(518) 474-2238



October 6, 2014

Dr. Gladys Cruz  
Interim District Superintendent  
Questar III BOCES  
10 Empire State Blvd., 2<sup>nd</sup> Floor  
Castleton, NY 12033

Dear Dr. Cruz:

The New York State Education Department appreciates the work of your OPEB Task Force in working to bring resolution through the Other Post-Employment Benefits Liquidation Plan.

Our comments are as follows:

- The Department agrees with the recommendations for proper accounting set forth by the Office of the State Comptroller in its October 11, 2013 report. We agree with the Office of the State Comptroller that, under GASB 45, the prescribed modified accrual basis of accounting should be utilized.
- The Department is in agreement with recommendations one through six and supports the actions developed by the task force and accepted by your component districts.
- Since some of the funds identified for return to school districts represented aidable expenses at the time the funds were collected by the BOCES, some reconciliation must be made to avoid an overpayment of state aid. Questar III should develop a methodology to estimate the portion of each district's repayment that was aided in the first instance. Like other expenses refunded by the BOCES, these funds should be reported under account code A2701, Refund of Prior Year Expense, so that the appropriate state aid adjustments may be made.

Considering the concerns and strategies laid out with respect to the recommendations, the Department accepts your Other Post-Employment Benefits Liquidation proposal.

Sincerely,

Charles A. Szuberla, Jr.

Please visit [www.questar.org/opeb](http://www.questar.org/opeb) for the full materials related to OPEB.

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Mr. Andrew Lanese, Board Vice President  
Ms. Andrea Paone, Board Member  
Ms. Sharon Hillis, Board Clerk

## COLUMBIA COUNTY

### BERKSHIRE UNION FREE SCHOOL DISTRICT

Mr. Bruce Potter, Superintendent

#### **Board of Education**

Mr. Timothy Giacchetta, Board President  
Mr. Michael Brutsch, Board Member  
Mr. James Dennis, Board Member  
Mr. David Patzwahl, Board Member  
Ms. Bonnie Vandenburg, Board Clerk

### CHATHAM CENTRAL SCHOOL DISTRICT

Ms. Cheryl Nuciforo, Superintendent

#### **Board of Education**

Ms. Melony Spock, Board President  
Mr. Michael Clark, Board Member  
Ms. Teri Conti, Board Member  
Ms. Muriel Faxon, Board Member  
Mr. Chris Kelly, Board Member  
Mr. Edward Knight, Board Member  
Ms. Jennifer Lindberg, Board Vice President  
Mr. David O'Connor, Board Member  
Mr. Craig Simmons, Board Member  
Ms. Debbie Pottenburgh, Board Clerk

### GERMANTOWN CENTRAL SCHOOL DISTRICT

Ms. Susan Brown, Superintendent

#### **Board of Education**

Mr. Ronald Moore, Board President  
Mr. Donald Coons, Board Member  
Mr. Ralph DePozzo, Board Member  
Ms. Brittany DuFresne, Board Member  
Ms. Faydra Geraghty, Board Member  
Ms. Tammi Kellenbenz, Board Vice President  
Mr. Jeremy Smith, Board Member  
Ms. Linda Anderson, Board Clerk

### HUDSON CITY SCHOOL DISTRICT

Ms. Maria Suttmeier, Superintendent

#### **Board of Education**

Mr. Peter Rice, Board President  
Ms. Sage Carter, Board Member  
Mr. David Kisselburgh, Board Member  
Ms. Tiffany Martin Hamilton, Board Vice President  
Ms. Maria McLaughlin, Board Member  
Mrs. Carrie Otty, Board Member  
Mr. Derrick Smart, Board Member  
Ms. Frieda VanDeusen, Board Clerk

### ICHABOD CRANE CENTRAL SCHOOL DISTRICT

Mr. George Zini, Superintendent

#### **Board of Education**

Mr. Anthony Welcome, Board President  
Ms. Kyle Aschenbrenner, Board Member  
Mr. John Chandler, Board Vice President  
Ms. Tricia Gerkman, Board Member  
Ms. Barbara-anne Johnson-Heimroth, Board Member  
Mr. Bruce Naramore, Board Member  
Mr. Jeffrey Ouellette, Board Member  
Ms. Susan Ramos, Board Member  
Ms. Cheryl Trefzger, Board Member  
Ms. Mindy Potts, Board Clerk

### NEW LEBANON CENTRAL SCHOOL DISTRICT

Ms. Leslie Whitcomb, Superintendent

#### **Board of Education**

Mr. Timothy Lambert, Board President  
Mr. Michael Bienes, Board Vice President  
Ms. Tracy Bingham, Board Member  
Ms. Martha Esposito, Board Member  
Ms. Sharon Putnam, Board Member  
Ms. Christine Sotek, Board Member  
Ms. Monique Wood, Board Member  
Ms. Kelly McGivern, Board Clerk

### TACONIC HILLS CENTRAL SCHOOL DISTRICT

Dr. Neil Howard, Superintendent

#### **Board of Education**

Mr. Kevin Maisenbacher, Board President  
Mr. Clifford Campbell, Board Member  
Mr. Joseph Costa, Board Member  
Ms. Nadine Gazzola, Board Member  
Mr. Jeffrey Hotaling, Board Member  
Mr. Donald McComb, Board Member  
Ms. Christine Perry, Board Vice President  
Ms. Anna Skoda, Board Member  
Mr. Harvey Weber, Board Member  
Ms. Melissa Layman, Board Clerk

## GREENE COUNTY

### CAIRO-DURHAM CENTRAL SCHOOL DISTRICT

Mr. Anthony Taibi, Superintendent

#### **Board of Education**

Mr. David Infantino, Board President  
Mr. Stephen Brandow, Board Member  
Mr. Dennis Burke, Board Member  
Dr. Peter Byrne, Board Vice President  
Ms. Elizabeth Daly, Board Member  
Mr. Carl Kohrs, Board Vice President  
Mr. Robert MacGiffert, Board Member  
Mr. Gary Warner, Board Member  
Ms. Bridget Agostinoni, Board Clerk

### CATSKILL CENTRAL SCHOOL DISTRICT

Dr. Kathleen Farrell, Superintendent

#### **Board of Education**

Mr. Andrew Jones, Board President  
Ms. Tracy Darling, Board Member  
Mr. William Fiske, Board Member  
Ms. Christine Kirch, Board Member  
Ms. Sasha Kubicek, Board Member  
Mr. Kyle Lyles, Board Member  
Mr. Ryan Osswald, Board Member  
Ms. Courtney Parish, Board Vice President  
Ms. Lisa Warner, Board Member  
Ms. Poscha McDougall, Board Clerk

### COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT

Mr. Randall Squier, Superintendent

#### **Board of Education**

Mr. Joseph Garland, Board President  
Mr. Michael Donahue, Board Member  
Ms. Jamie Dorr, Board Member  
Ms. Maureen Hanse, Board Member  
Mr. Richard Jewett, Board Member  
Ms. Carol Ann Luccio, Board Member  
Mr. Michael Petramale, Board Member  
Ms. Beth Tailleir, Board Vice President  
Mr. Barton Wallace, Board Member  
Ms. Judith Zoller, Board Clerk

### GREENVILLE CENTRAL SCHOOL DISTRICT

Ms. Cheryl Dudley, Superintendent

#### **Board of Education**

Ms. Ann Holstein, Board President  
Mr. David Bowdish, Board Member  
Mr. Thomas Connolly, Board Member  
Ms. Jennifer Howard, Board Member  
Ms. Patricia Macko, Board Vice President  
Mr. Duncan Macpherson, Board Member  
Mr. Michael McAneny, Board Member  
Ms. Jacqueline O'Halloran, Board Clerk

**QUESTAR III**

Dr. Gladys Cruz, COO & Deputy Superintendent

**Board of Education**

Mr. Robert Gibson, Board President

Mr. Edmund Brooks, Board Member

Ms. Lynn Clum, Board Member

Mr. Christopher Foster, Board Member

Mr. Joseph Garland, Board Member

Mr. John Hill, Board Member

Mr. James Keegan, Board Member

Ms. Marilyn Noonan, Board Vice President

Ms. Carol Orvis, Board Member

Mr. Paul Puccio, Board Member

Mr. Christopher Southard, Board Member

Ms. Robin Emanatian, Board Clerk