



2017-2018 Tentative Budget



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March 17, 2017

Dear Colleagues:

As you prepare a budget for the 2017-2018 school year, Questar III BOCES stands poised and ready to serve your needs and to provide exceptional value through our various shared programs and services.

The 2017-2018 school year marks the 40th anniversary of our tri-county BOCES. Our approach, time-tested since 1977, works because of the power of inter-municipal cooperation and collaboration.

Together, we continue to achieve economies and efficiencies, expand educational opportunity, close gaps in student achievement, improve educational equity and serve children of all ages, abilities and backgrounds.

On behalf of the Questar III Board of Education, it is our pleasure to invite component district school board members to our Annual Meeting on April 5 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 students and districts regardless of enrollment, income or size of tax base.

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

A handwritten signature in blue ink that reads "John C. Hill".

John C. Hill
President
Questar III BOCES

A handwritten signature in blue ink that reads "Gladys Cruz".

Gladys Cruz
District Superintendent
Questar III BOCES

Table of Contents

❖ Executive Summary	4
❖ BOCES Overview	6
❖ How Questar III Operates	6
❖ The Leading Edge	7
❖ How Districts Purchase Services	7
❖ Paying for BOCES Services	7
❖ Budget History	8
❖ Questar III Budget Philosophy	8
❖ Proposed Administrative Budget	9
❖ Rent and Capital Budget	14
❖ Impact of Administrative, Rent and Capital Budgets	15
❖ Budget Vote	15
❖ Program Budgets and Highlights	16
❖ Career and Technical Education	17
❖ Special Education	19
❖ Itinerant Services	21
❖ General Education	22
❖ Instructional Support	25
❖ District Services	27
❖ Special Aid	30
❖ Explanation of Budget Line Items	31
❖ Questions and Answers	32
❖ OPEB Letter from the State Education Department	33
❖ Boards of Education and Superintendents	34

Executive Summary

Questar III continues to manage its costs aggressively. We want to ensure that we provide valuable services to all participating school districts.

Subject to the approval of component school boards, the administrative budget provides for a variety of operational and support activities of the BOCES, as well as services to school districts.

The proposed administrative budget of \$6,102,375 is \$219,629 or 3.73 percent higher than the previous year's budget. Other Post-Employment Benefits (OPEB) costs account for 88 percent or \$193,839 of the total increase. Cost containment measures, in the portion of the administrative budget that does not include OPEB, have allowed for a remaining increase of \$25,790 or 0.44 percent over the previous year's budget.

Revenues for the administrative budget include non-component administrative fees, statewide service administrative fees, fees from administering various grants and contracts, and interest income. These miscellaneous revenues total \$859,199 for 2017-2018, which are \$13,468 higher than the previous year. The difference between these revenues and the expenses funded in the administrative budget is raised through charges to 22 component school districts. This is the BOCES equivalent of a "tax levy." For 2017-2018 the actual administrative charge to component districts is \$5,243,176 (\$6,102,375 administrative budget less revenues of \$859,199), which is an increase of \$206,161 (administrative budget increase \$219,629 less increase in revenues of \$13,468).

New York State Law requires the Boards of Education of each of our 22 component school districts to convene on Tuesday, April 25, 2017 to vote on the proposed administrative budget. The administrative budget is the only portion of the BOCES budget voted on.

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 a collection of several independent budgets. Another difference is that BOCES budgets are strictly revenue-based. That is, they are determined by the revenue generated rather than predetermined expenditures, as with school districts.

As a result, final program budgets for the 2017-2018 school year will depend upon service requests from districts. Each tentative program budget is adjusted as program enrollments or district participation fluctuates.

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 (CTE), special education programs and other services for students.

Total Budget – Executive Summary

EXPENDITURE CATEGORY	ACTUAL	ADJUSTED	PROPOSED
	EXPENDITURES	BUDGET	BUDGET
	2015/16	2016/17	2017/18
INSTRUCTIONAL SALARIES	\$ 17,911,992	\$ 17,701,838	\$ 17,838,646
NON-INSTRUCTIONAL SALARIES	6,354,312	7,247,309	6,766,159
EQUIPMENT	4,056,620	3,989,241	3,700,888
SUPPLIES & MATERIALS	1,687,448	2,063,171	1,825,551
CONTRACTUAL SERVICES	3,067,849	4,362,300	4,049,085
PROFESSIONAL SERVICE CONTRACTS	1,470,014	1,819,254	1,610,579
RENTAL OF FACILITIES	1,172,314	1,206,313	1,209,318
PAYMENTS TO SCHOOL DISTRICTS & OTHER BOCES	11,638,052	12,325,597	12,421,801
EMPLOYEE FRINGE BENEFITS	12,229,739	13,200,282	13,450,329
OTHER POST EMPLOYMENT BENEFITS	2,994,316	2,987,624	3,181,463
TRANSFER TO CAPITAL	498,500	500,000	500,000
TRANSFER CHARGES FROM OPERATIONS & MAINT	2,091,867	2,413,268	2,076,816
TRANSFER CHARGES FROM OTHER SERVICES	3,212,033	3,465,015	3,536,259
TRANSFER CREDITS	(1,640,273)	(1,777,782)	(1,773,351)
TOTAL	\$ 66,744,783	\$ 71,503,430	\$ 70,393,543

EXPENDITURE CATEGORY	ACTUAL	ADJUSTED	PROPOSED
	EXPENDITURES	BUDGET	BUDGET
	2015/16	2016/17	2017/18
CENTRAL ADMINISTRATION	\$ 5,783,863	\$ 6,120,996	\$ 6,102,375
CAPITAL (RENTS AND LEASES)	1,647,611	1,680,360	1,683,365
CAREER & TECHNICAL EDUCATION	8,777,681	9,235,157	8,917,217
SPECIAL EDUCATION	20,855,563	22,150,811	21,868,443
ITINERANT SERVICES	1,999,189	2,010,317	1,876,014
GENERAL EDUCATION	5,865,250	5,651,843	5,639,738
INSTRUCTIONAL SUPPORT	7,450,331	7,772,591	7,511,153
DISTRICT SUPPORT	10,138,309	11,539,634	11,668,156
SPECIAL AID FUND	4,226,986	5,341,721	5,127,082
TOTAL	\$ 66,744,783	\$ 71,503,430	\$ 70,393,543

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.

Questar III BOCES serves 22 component districts (and one non-component) in Rensselaer, Columbia and Greene counties and provides more than 280 shared services to more than 675 school districts and BOCES statewide.

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 to local school districts. Questar III focuses on developing the capacity of local schools to enable students to meet the state learning standards and graduation requirements.

How Questar III Operates

Questar III BOCES provides shared educational programs to the school districts served. Partnerships with districts allow for the delivery of a broad range of programs and services that help meet the evolving educational needs of students. BOCES programs and services prepare diverse populations for roles in the global economy, provide cost-effective shared services to districts and initiate collaboration to close gaps in student achievement.

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.

The Leading Edge

Last summer, Questar III adopted a new plan for goal-setting, innovation and growth called [The Leading Edge](#). This framework – based on The Advantage by Patrick Lencioni – requires answers to six fundamental questions about the organization and its work:

- Why do we exist?
- How do we behave?
- What do we do?
- How will we succeed?
- What is most important right now?
- Who must do what?

Questar III gathered its executive leadership team to answer these questions and to commit to clarity through over-communication. Ultimately, Questar III exists because we “change lives, realize dreams and do together what can’t be done alone.” This is the core of our existence and service to school districts and students.

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. All services offered by the BOCES have gone through the approval process 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 distributed to districts based on a state-approved formula. BOCES aid for Questar III’s component districts range from 36 to 79 percent, depending on school district wealth ratios. Each district’s BOCES aid rate is calculated by SED.

Budget History

Questar III has been 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.

Through our shared decision-making process, we have 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 eliminated and/or refined to better meet district, school and student needs. This process has allowed Questar III to gain a better understanding of the shared services districts need and value.

Questar III's Budget Philosophy

Questar III's core values: commitment to excellence, leadership and service, and innovation drive how we develop, refine or evaluate our services and the process to include others in our budget development process.

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, central administrative expenses, travel expenses, and a portion of the supervisors' and administrative personnel salaries and benefits necessary to carry out the administrative duties of the BOCES.

CENTRAL ADMINISTRATION	ACTUAL EXPENSES 2015/16	ADJUSTED BUDGET 2016/17	PROPOSED BUDGET 2017/18
INSTRUCTIONAL SALARIES	\$ 292,562	\$ 206,568	\$ 201,538
NON-INSTRUCTIONAL SALARIES	831,421	847,089	815,539
EQUIPMENT	46,850	6,158	5,200
SUPPLIES & MATERIALS	81,147	112,357	102,607
CONTRACTUAL SERVICES	151,866	203,834	192,510
PROFESSIONAL SERVICE CONTRACTS	179,132	430,355	315,850
PAYMENTS TO SCHOOL DISTRICTS & OTHER BOCES	-	-	-
EMPLOYEE FRINGE BENEFITS	538,570	547,568	533,616
OTHER POST EMPLOYMENT BENEFITS	2,994,316	2,987,624	3,181,463
TRANSFER CHARGES FROM OPERATIONS & MAINTENANCE	57,668	52,813	50,655
TRANSFER CHARGES FROM OTHER SERVICES	610,331	726,630	703,397
TOTAL	\$ 5,783,863	\$ 6,120,996	\$ 6,102,375

The administrative budget also contains funding to support activities associated with implementation of regional initiatives in advocacy, certification, communications support, district strategic planning initiatives, emergency management, grant research, superintendent searches, Superintendent Support Network, business and operational support and professional development for boards of education, superintendents and staff.

Next year's proposed spending plan includes reductions in full-time equivalents (FTEs) and the related benefits of employees through the realignment of staff based on their duties in addition to reductions in supplies, equipment and operation and maintenance spending. There will be increases in internal information technology support, professional development and other post-employment benefits (OPEB) costs.

Questar III's proposed administrative budget for 2017-2018 is \$6,102,375, which is \$219,629 or 3.73 percent higher than previous year's budget. Other Post-Employment Benefits (OPEB) costs account for 88 percent or \$193,839 of the total increase. Cost containment measures, in the portion of the administrative budget

that does not include OPEB, have allowed for a remaining increase of \$25,790 or 0.44 percent over the previous year's budget.

However, the actual administrative charge to districts is \$5,243,176, representing an increase of \$206,161. The administrative charge is derived from the administrative budget of \$6,102,375, reduced by \$859,199 in revenues earned from administrative fees charged to non-components and statewide service clients that buy our services, indirect costs from grants and contracts in the Special Aid Fund, interest and other miscellaneous revenues. Although the administrative budget is increasing by \$219,629 or 3.73 percent, the actual administrative charge to districts is increasing by \$206,161, due to a \$13,468 increase in budgeted revenues from the prior year.

The revenues from administrative fees, indirect costs, interest and other miscellaneous revenues, 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 approximately 123 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%
2016-17	\$828,731	1.90%
2017-18	\$844,199	1.87%

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 manage post-retirement benefits. Over time, our actuaries estimated it would have saved component school districts approximately 65 percent of our net OPEB obligation if we were allowed to fund this liability as we do with pensions.

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 (SED) 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 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 other entities. 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 City School District. 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 the meeting held on July 24, 2014, 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 (SED) throughout this process, submitted its recommendations to SED for approval. A copy of the plan was also filed with the OSC. Please see page 33 for the letter from SED accepting Questar III's OPEB proposal.

The SED letter specified that "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." The Questar III Board of Education has taken the position, that any reconciliation of the OPEB liquidated funds, being returned to school districts, should be performed by SED. A substantial portion of the OPEB funds collected were related to special education services (high cost aid) and, therefore, are not BOCES aidable.

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 Central School District 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 all of 22 component releases and one non-component release. The BOCES also received 622 out of 672 statewide school district and BOCES releases. The 2017-2018 school year represents the third year of the liquidation plan for OPEB.

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 have been coordinating 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. The 2017-2018 administrative budget contains additional reductions in staff salaries and benefits as a result of improved alignment of staff based on their duties.

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. The compensation/salary plan is reviewed and adopted by the Board at least annually.

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.

- Migrated from the PPO812 to the PPO816, increasing co-pays and deductibles.
- Created a sliding scale for employee contributions based on salary ranging from 5 to 15 percent.
- Carved out pharmacy benefits from the health insurance plan.
- Eliminated the community rate or HMO products and migrated to Exclusive Provider Organization (EPO) to save on commissions and to benefit from our claims history.
- Limited coverage to employees that work at least half time.
- Issued requests for proposals for a pharmacy benefits manager (PBM) that resulted in a new PBM that offered lower pharmacy prices.

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.
- Eliminating family health insurance coverage, leaving only single coverage available 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:
District Superintendent Salary \$ 43,499
plus all Medicare and Social Security taxes

BOCES portion of salary and fringe:
District Superintendent Salary \$123,263
New York State Teacher Retirement \$ 12,942
Health, Dental & Disability Insurance \$ 26,768
Workers' Compensation Insurance \$ 2,466
Unemployment Insurance \$ 308

Rent and Capital Budget

The proposed 2017-2018 rent and capital budget includes a 0.18 percent increase over 2016-2017. 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 and other private entities for New Visions and special education programs. The following is a rent and capital budget comparison:

2016-2017 Budget	\$1,680,360
2017-2018 Budget	\$1,683,365
Dollar increase	\$3,005
Percent increase	0.18%

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.

Questar III recognizes the need to modernize the Rensselaer Educational Center. Recently, new legislation was passed that allows for the BOCES to enter into a 20-year lease with entities other than school districts. After positive feedback was received from the presentation of a range of budget scenarios for the lease of a new Center to Superintendents, Business Officials and Questar III's Board of Education, an RFP was issued. There was an extensive RFP review process that included a committee of Questar III board members, staff and component district superintendents, resulting in the selection of a developer. The Building Modernization Project is now in the planning and design phase that will be structured as a 20-year lease. The first year of the 20-year lease is anticipated to impact the 2018-2019 budget. The first year lease payment is projected to be \$880,000,

however after the reallocation of the \$500,000 capital transfer to the lease payment, the increase in the rent and capital budget is projected to be \$380,000. After BOCES rent aid is applied to the budget increase, the estimated total net cost increase to districts is \$167,737. The rent and capital budget is allocated to component districts based on Resident Weighted Average Daily Attendance (RWADA).

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); and career and technical education (Rensselaer). 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.

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.

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 component districts' Boards of Education within Questar III are required to vote on the BOCES administrative budget on April 25, 2017. This is the only portion of the BOCES budget that component districts vote on each year.

Program Budgets and Highlights

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, annually, 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 minimize rate increases for school districts. The following chart shows that the majority of programs have kept rates under two percent over the past five years.

<u>Year</u>	<u>% of Programs with a Rate Increase ≤ 0%</u>	<u>% of Programs with a Rate Increase ≤ 2%</u>
2013-14	66.67%	88.19%
2014-15	55.78%	69.72%
2015-16	53.59%	87.05%
2016-17	79.80%	91.30%
2017-18	63.49%	86.31%

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, many of which offer a variety of certifications or industry credentials. Many of these programs also meet the requirements for the CTE or Career Development Occupational Studies (CDOS) graduation pathway.

CAREER & TECHNICAL EDUCATION	ACTUAL EXPENSES 2015/16	ADJUSTED BUDGET 2016/17	PROPOSED BUDGET 2017/18
INSTRUCTIONAL SALARIES	\$ 3,811,131	\$ 3,856,333	\$ 3,742,661
NON-INSTRUCTIONAL SALARIES	610,700	611,103	648,283
EQUIPMENT	236,724	156,260	105,600
SUPPLIES & MATERIALS	384,418	316,890	308,106
CONTRACTUAL SERVICES	491,161	508,015	511,755
PROFESSIONAL SERVICE CONTRACTS	63,060	127,512	121,700
PAYMENTS TO SCHOOL DISTRICTS & OTHER BOCES	19,500	74,535	76,027
EMPLOYEE FRINGE BENEFITS	2,062,264	2,205,793	2,211,505
TRANSFER CHARGES FROM OPERATIONS & MAINT	1,052,377	1,237,958	978,816
TRANSFER CHARGES FROM OTHER SERVICES	454,060	658,698	680,988
TRANSFER CREDITS	(407,714)	(517,940)	(468,224)
TOTAL	\$ 8,777,681	\$ 9,235,157	\$ 8,917,217

Questar III's CTE and Career Studies programs have been undergoing a complete program review to examine all aspects of the programs and set improvement goals for the future. It is crucial that we keep our programs on the cutting edge of training for their respective industries, offer students as many opportunities as possible to earn college credits and industry credentials, and maximize opportunities for students in the Rensselaer, Columbia, and Greene counties.

A new, state of the art, Career and Technical Educational Center is in the planning and design phase in Schodack. This new center will replace our existing Rensselaer Educational Center in Troy. The new 60,000 square foot facility will offer current and new programming options for students in all three counties.

Questar III works closely with its districts and appreciates the ongoing input from our Superintendent Subcommittee on Academic Programs to ensure that the programs are aligned to district needs, student interests, and industry demands. With the input and support of superintendents, Questar III has had a very successful first year with

the New Visions Medical program housed at the Samaritan Hospital in Troy. In total, Questar III is offering 10 two-year CTE programs, two senior only CTE programs, and four New Visions programs for the 2017-2018 school year along with partnering with Capital Region BOCES to offer students of our region access to the New Visions Law and Government program.

Looking ahead to the 2017-2018 school year, we will be using the recommendations from the program review to make programmatic improvements while being fiscally responsible. To this end, Questar III has worked to keep the CTE budget from increasing for the 2017-2018 school year. This was made possible by some staff retirements and a reduction of a teaching assistant in a smaller class.

The CTE budget continues to support implementation of the State Learning Standards, technology integration and the APPR by allocating funds to support embedded professional development for our CTE staff.

Career Studies

Our Career Studies programs provide students with entry-level training in a technical area or trade in a smaller learning environment. These programs are designed to provide more customized career instruction and experiences for students with a wide range of abilities. Career Studies programs have a small student-to-teacher ratio and are taught by certified teachers who have substantial real world experiences in their given trades.

Career Studies programs integrate academics for all students in the areas of math, science, and English Language Arts, based on the needs of our students and requests of our districts. This integration has raised the level of rigor by deepening students' understanding of science and math concepts as well as focusing on strengthening students' reading and writing skills.

Career Studies will use recommendations from the program review to continue to improve the course offerings and the opportunities for students in a more supportive setting.

Special Education

Questar III provides an array of services for students with disabilities, based on their individual academic capabilities and social/behavioral needs in response to each student's individualized educational plan (IEP).

SPECIAL EDUCATION	ACTUAL EXPENSES 2015/16	ADJUSTED BUDGET 2016/17	PROPOSED BUDGET 2017/18
INSTRUCTIONAL SALARIES	\$ 8,499,899	\$ 8,180,324	\$ 8,411,291
NON-INSTRUCTIONAL SALARIES	1,818,226	2,256,478	1,773,862
EQUIPMENT	234,468	178,314	97,300
SUPPLIES & MATERIALS	222,050	294,954	278,138
CONTRACTUAL SERVICES	486,297	363,843	543,042
PROFESSIONAL SERVICE CONTRACTS	16,781	217,120	89,000
PAYMENTS TO SCHOOL DISTRICTS & OTHER BOCES	1,592,670	2,415,881	2,307,702
EMPLOYEE FRINGE BENEFITS	5,922,172	6,131,985	6,252,752
TRANSFER CHARGES FROM OPERATIONS & MAINT	689,321	789,093	742,938
TRANSFER CHARGES FROM OTHER SERVICES	1,373,679	1,322,819	1,372,418
TOTAL	\$ 20,855,563	\$ 22,150,811	\$ 21,868,443

The cost of delivering high-quality programs and services to students with disabilities has increased over time. As a result, we continue to explore more effective and cost efficient ways of educating students with disabilities. This includes the increased use of instructional technology and work-based learning, particularly to serve the increased number of students working towards the Career Development and Occupational Studies (CDOS) credential. For example, Rensselaer Academy students use the Practical Assessment Exploration System (PAES) lab to help learn and develop job and life skills.

In keeping with state regulations, Questar III also continues to move students along the continuum of services from a more restrictive to a less restrictive environment as appropriate to meet their needs. Over a three-year period, beginning with the 2014-2015 school year, Questar III reduced the number of the most restrictive classes from 21 to 5. For the 2017-2018 school year, we are projecting four 4:1:2 classes (three elementary classes and one middle/high school class). This allows Questar III to better meet the needs of the students at a younger age and move them along the continuum of services to less restrictive environments.

Our goal is always to provide the best programs to our students at the best value. The projected increases for the 2017-2018 year are due mainly to employee salary increases and changes in health insurance.

Last year, all of our special education students 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. We expect similar success during the current year.

The special education budget continues to support implementation of the State Learning Standards, technology integration and the APPR by allocating funds to support embedded professional development for our special education staff.

Similar to CTE, the special education department is undergoing a comprehensive program review. The recommendations and opportunities uncovered will strengthen our current programming, set goals for the future and improve the capacity of our programs for the benefit of our students.

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 2015/16	ADJUSTED BUDGET 2016/17	PROPOSED BUDGET 2017/18
INSTRUCTIONAL SALARIES	\$ 788,177	\$ 666,161	\$ 592,521
NON-INSTRUCTIONAL SALARIES	287,912	353,954	362,188
EQUIPMENT	2,333	63	-
SUPPLIES & MATERIALS	748	2,905	2,099
CONTRACTUAL SERVICES	36,285	102,973	61,074
PROFESSIONAL SERVICE CONTRACTS	-	-	-
PAYMENTS TO SCHOOL DISTRICTS & OTHER BOCES	330,686	320,726	327,145
EMPLOYEE FRINGE BENEFITS	501,323	493,554	472,267
TRANSFER CHARGES FROM OPERATIONS & MAINT	12,082	42,787	33,269
TRANSFER CHARGES FROM OTHER SERVICES	39,643	27,194	25,451
TOTAL	\$ 1,999,189	\$ 2,010,317	\$ 1,876,014

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 and teacher of the deaf/hard of hearing. District services such as claims auditing, public information/communications coordinator and shared business manager are also provided as itinerant services.

The cost of itinerant services depends primarily on the salaries of the individuals providing the service. Due to district purchases and staff changes, the cost of these services can have significant fluctuations from year-to-year.

General Education

Questar III offers approximately 17 general and alternative educational offerings such as Tech Valley High School®, distance learning, arts-in-education, pre-kindergarten, and regional competitions. Below are some general education program highlights.

GENERAL EDUCATION	ACTUAL EXPENSES 2015/16	ADJUSTED BUDGET 2016/17	PROPOSED BUDGET 2017/18
INSTRUCTIONAL SALARIES	\$ 766,341	\$ 708,834	\$ 687,729
NON-INSTRUCTIONAL SALARIES	51,357	123,466	128,233
EQUIPMENT	52,477	14,985	-
SUPPLIES & MATERIALS	147,221	203,944	137,575
CONTRACTUAL SERVICES	54,310	121,079	166,919
PROFESSIONAL SERVICE CONTRACTS	391,558	161,000	160,000
PAYMENTS TO SCHOOL DISTRICTS & OTHER BOCES	3,682,218	3,544,650	3,605,857
EMPLOYEE FRINGE BENEFITS	431,883	498,126	482,800
TRANSFER CHARGES FROM OPERATIONS & MAINT	93,803	76,972	69,551
TRANSFER CHARGES FROM OTHER SERVICES	194,082	198,787	201,074
TOTAL	\$ 5,865,250	\$ 5,651,843	\$ 5,639,738

Tech Valley High School®

Tech Valley High School® implemented major improvements in response to the program review conducted during the 2015-2016 fiscal year. The school has focused on raising the Regents scores, offering more college credit opportunities for students, clearly defining the focus of the school, providing more outreach and support to component school districts, and continuing to build on the student-centered, project-based, community-focused culture of the school.

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 local districts participating in this service. Locally participating schools both host and receive courses that serve more than 2,190 students. This includes 91 regular school and 26 summer school course selections.

Questar III, in partnership with NERIC, increased participation to the Expanded Distance Learning program. This program is 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; and program support through a regional committee for course planning. There are currently nine districts participating in the service.

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 eight courseware vendors to offer districts choices in service plans. Twenty-one districts use the service to provide credit recovery, credit accrual, home schooling, tutoring and Regents test preparation for more than 1,359 students.

Pre-Kindergarten

Questar III has provided pre-kindergarten educational services for nearly three decades, working closely with districts to create and deliver a model program. There are two distinct pre-kindergarten programs: targeted and universal. The targeted program provides comprehensive child development services to classes of 16 children from lower-income families or those experiencing risk factors.

The universal pre-kindergarten (UPK) program provides four-year-old children with an opportunity to access high-quality pre-kindergarten programming that prepares them for future school success. Questar III provides staff, administrative supervision and some nursing services, as well as additional supports to ensure quality of services.

Both pre-kindergarten programs develop strong foundational skills in early literacy and numeracy, social interaction and kindergarten readiness skills using child-centered activities. Questar III also works with additional Community Based Organizations (CBO) to provide an inclusionary model for students with disabilities.

School Library System and Related Services

School districts may purchase shared services that assist in expanding access from the library's physical space to wherever students are learning. Services include:

- Building enhanced library collections designed specifically to meet the needs of individual schools without unnecessarily duplicating resources across the region.
- Receiving full library automation support, including software, hardware, maintenance, technical support, and training.

- Supporting all curricular areas through online resources including databases and instructional multimedia.
- Providing a shared librarian for smaller districts.

Arts in Education, Exploratory Enrichment, and Odyssey of the Mind

Questar III coordinates arts and enrichment programs for participating districts. Content area curriculum comes alive with the integration of programs that allow students to creatively engage in their learning experience. Through dance, media arts, music, theatre, visual arts, and writing, students learn from cultural and performing artists, authors and illustrators. Districts receive state aid on visits to aquariums, museums, theaters as well as programs brought into the school.

Odyssey of the Mind is a worldwide educational program that helps students develop creative problem solving skills through teamwork. Questar III is the New York State Region 4 coordinator of this program. In recent years, this program has reaped numerous successes as the region's schools excelled at state and national competitions. In fact, at least one team from Rensselaer, Columbia and Greene counties has advanced to the Odyssey of the Mind World Finals since 2007, including 12 in the past five years.

Instructional Support

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

INSTRUCTIONAL SUPPORT	ACTUAL EXPENSES 2015/16	ADJUSTED BUDGET 2016/17	PROPOSED BUDGET 2017/18
INSTRUCTIONAL SALARIES	\$ 1,595,266	\$ 1,332,673	\$ 1,566,790
NON-INSTRUCTIONAL SALARIES	506,019	623,571	503,213
EQUIPMENT	3,428,144	3,529,305	3,421,000
SUPPLIES & MATERIALS	476,908	668,434	497,115
CONTRACTUAL SERVICES	467,512	525,131	508,815
PROFESSIONAL SERVICE CONTRACTS	269,107	242,428	120,600
PAYMENTS TO SCHOOL DISTRICTS & OTHER BOCES	453,149	551,681	559,454
EMPLOYEE FRINGE BENEFITS	876,950	941,418	914,727
TRANSFER CHARGES FROM OPERATIONS & MAINT	61,313	78,321	86,310
TRANSFER CHARGES FROM OTHER SERVICES	71,812	121,825	156,513
TRANSFER CREDITS	(755,849)	(842,196)	(823,384)
TOTAL	\$ 7,450,331	\$ 7,772,591	\$ 7,511,153

Over the past decade, Questar III changed its delivery model to offering ongoing embedded professional development in mathematics, ELA, science, social studies 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.

There continues to be strong demand for ongoing embedded professional development, which requires Questar III to recruit, hire and retain high-quality staff. To augment our success in the School Improvement services, we will be introducing a new service, virtual coaching, which will be a unique and innovative approach to embedded professional development. We are currently in the beta testing phases and will be offering the service to districts during 2017-2018.

Data Coordination and Analysis

The 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. We expect to increase our units and the number of districts we serve from last year. This team ensures that changes in data reporting requirements are implemented 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.

Regional Scoring of New York State Assessments

School Improvement coordinates the regional scoring of the 3-8 state assessments in ELA, Mathematics and Science. It also coordinates the regional scoring of the New York State English as a Second Language Achievement Test and the New York State Alternative Assessments. Demand for these services continues to be strong.

District Services

Questar III's district services extend, enhance and enrich the capacity of participating districts by providing innovative solutions or a high level of technical expertise. There will be minimal rate increases driven by employee costs for the 2017-2018 school year. The cost for some services will remain unchanged due to increased participation, automation and process improvements.

DISTRICT SERVICES	ACTUAL EXPENSES 2015/16	ADJUSTED BUDGET 2016/17	PROPOSED BUDGET 2017/18
INSTRUCTIONAL SALARIES	\$ 489,234	\$ 573,999	\$ 535,316
NON-INSTRUCTIONAL SALARIES	1,673,122	1,743,762	1,884,874
EQUIPMENT	29,832	86,587	55,500
SUPPLIES & MATERIALS	271,440	354,146	403,793
CONTRACTUAL SERVICES	715,447	1,784,770	1,393,459
PROFESSIONAL SERVICE CONTRACTS	307,181	370,348	558,041
PAYMENTS TO SCHOOL DISTRICTS & OTHER BOCES	5,474,389	5,317,258	5,426,594
EMPLOYEE FRINGE BENEFITS	1,060,645	1,182,024	1,380,627
TRANSFER CHARGES FROM OPERATIONS & MAINT	125,303	135,324	115,277
TRANSFER CHARGES FROM OTHER SERVICES	468,426	409,062	396,418
TRANSFER CREDITS	(476,710)	(417,646)	(481,743)
TOTAL	\$ 10,138,309	\$ 11,539,634	\$ 11,668,156

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 offers general ledger maintenance, accounts payable and payroll processing, revenue/budget analysis and long-term financial planning.

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

Questar III shares its expertise to ensure that all of our districts and BOCES clients comply with the new Governmental Accounting Standards, which are increasingly complex. Our Other Post-Employment Benefits (OPEB) Valuation and Fixed Asset Inventory services are such examples.

The Governmental Accounting Standards Board (GASB) 45/OPEB Valuation service assists approximately 169 school districts and BOCES across the state through

calculating and managing their OPEB liability. We have successfully redesigned the GASB 45 service to expedite the preparation of actuarial reports and to reduce costs. The 2017-2018 budget reflects the changes associated with the revised OPEB standards under GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Communications are ongoing regarding the new statement, along with assessing the impact to the school district reports.

The GASB 34/Fixed Asset Inventory service continues to be valued by participating districts. Questar III helps over 30 school districts statewide comply with GASB 34 accounting standards and to accurately account and monitor their fixed assets. 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 risk management.

The State Aid and Financial Planning Service currently serves 650 school districts and 33 BOCES and is projecting to maintain this level of participation in the 2017-2018 school year. The service continues to provide information and assistance to districts and BOCES in the areas of state aid, the property tax cap and other school finance and management issues. The addition of experienced staff this year will add more high level school business management expertise available to the districts.

The STAC (System to Track and Account for Children) service also expects to maintain the number of districts served. This year the STAC service is working with 35 districts across the state to provide training, data collection and data reporting services related to claiming aid for students with disabilities. The service also added a comprehensive training program which was provided at six locations across the state. These training sessions will be offered again in 2017-2018.

Rensselaer-Columbia-Greene Health Insurance Trust

The Rensselaer-Columbia-Greene Health Insurance Trust (RCG HIT) has assisted local districts by successfully negotiating contract renewals with BlueShield 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.

Even though the medical portion of our health insurance increases have been below the national trend for over a decade, the pharmacy costs have been escalating at a double digit rate for a few years. The RCG HIT changed Pharmacy Benefit Managers in 2016-2017 and expects to generate significant savings over the next several years.

Health and Safety

Questar III's Health and Safety service continues to offer services statewide, ranging from on-site support to an array of safety services and trainings that can be purchased à la carte. The department continues to add new cost effective services that support facility management and address compliance needs. In 2017-2018, Health and Safety will add fire sprinkler inspections, battery testing, annunciator testing and power supply testing to its list of offerings for fire system maintenance services. With the expansion of its Chemical Hygiene service, the program has become a solid, standalone service to assist schools with the management, use and disposal of school science chemicals. The department continues to partner with state and local agencies to assist schools with mandate compliance. Recently, the department assisted with lead water testing.

Communications

Questar III's award-winning Communications Service supports 19 school districts across the region ranging from project-based work to ongoing support throughout the year.

One of the service's largest roles is helping school districts with budget communications. Last year, it produced 14 different newsletters to help residents make an informed decision about proposed spending plans.

In recent years, the service has also helped districts with communications on capital improvements and successful bond referendums. This included creating three capital project videos and infographics that explained the scope of work, proposed spending and timelines.

The Communications Service continues to design, launch and manage new websites for school district clients. This includes the implementation of responsive designs for different mobile devices and the use of web-based content management systems.

It also helps school districts and the BOCES reach stakeholders on social media. This includes managing more than 20 Facebook and Twitter accounts that reach more than 20,000 users daily.

The service is also available to support school districts during crises. Team members work with the organization's School Emergency Resource Team (SERT) on crisis management, communications and coordination with other agencies.

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 budgetary variations from year-to-year.

The Special Aid Fund represents anticipated funding for 18 programs, including Special Education Summer School, Library programs, Regional Bilingual Education Resource Network (RBERN), Regional Special Education Technical Assistance Support Center (RSE-TASC), the Puerto Rican Hispanic Youth Leadership Institute (PRHYLI), Carl D. Perkins Career and Technical Education (Perkins IV) and Adult Education.

SPECIAL AID FUND	ACTUAL EXPENSES 2015/16	ADJUSTED BUDGET 2016/17	PROPOSED BUDGET 2017/18
INSTRUCTIONAL SALARIES	\$ 1,669,382	\$ 2,176,946	\$ 2,100,800
NON-INSTRUCTIONAL SALARIES	575,555	687,886	649,967
EQUIPMENT	25,792	17,569	16,288
SUPPLIES & MATERIALS	103,516	109,541	96,118
CONTRACTUAL SERVICES	664,971	752,655	671,511
PROFESSIONAL SERVICE CONTRACTS	243,195	270,491	245,388
RENTAL OF FACILITIES	23,203	25,953	25,953
PAYMENTS TO SCHOOL DISTRICTS & OTHER BOCES	85,440	100,866	119,022
FRINGE BENEFITS	835,932	1,199,814	1,202,035
TOTAL	\$ 4,226,986	\$ 5,341,721	\$ 5,127,082

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 \$6,102,375 for 2017-2018 is \$25,790 above contingency.

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, and 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., 2nd 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 for the full materials related to OPEB.

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Ms. Anne Wager-Rounds, Board Member

WYNANTSKILL UNION FREE SCHOOL DISTRICT

Dr. Thomas Reardon, Superintendent

Board of Education

Ms. Cathleen Castle, Board Member
Ms. Sharon Hillis, Board Clerk
Mr. Keith Hirokawa, Board Member
Mr. Andrew Lanese, Board President
Ms. Darcy Mack, Board Vice-President
Mr. Eric Strang, Board Member

COLUMBIA COUNTY

BERKSHIRE UNION FREE SCHOOL DISTRICT

Mr. Bruce Potter, Superintendent

Board of Education

Mr. Michael Brutsch, Board Member
Mr. James Dennis, Board President
Ms. Sharon McCredie, Board Clerk
Mr. David Patzwahl, Board Member
Ms. Alicia Young, Board Member

CHATHAM CENTRAL SCHOOL DISTRICT

Dr. Cheryl Nuciforo, Superintendent

Board of Education

Ms. Denise Barry, Board Member
Ms. Teri Conte, Board Vice-President
Ms. Muriel Faxon, Board Member
Ms. Beth Hover, Board Member
Mr. Chris Kelly, Board Member
Mr. Edward Knight, Board Member
Mr. David O'Connor, Board Member
Ms. Debbie Pottenburgh, Board Clerk
Mr. Craig Simmons, Board Member
Ms. Melony Spock, Board President

GERMANTOWN CENTRAL SCHOOL DISTRICT

Ms. Susan Brown, Superintendent

Board of Education

Ms. Linda Anderson, Board Clerk
Mr. Donald Coons, Board Vice-President
Mr. Ralph DelPozzo, Board Member
Mr. Faydra Geraghty, Board Member
Ms. Tammi Kellenbenz, Board President
Mr. Lester Olsson, Board Member
Ms. Andrea Provan, Board Member
Ms. Teresa Repko, Board Member

HUDSON CITY SCHOOL DISTRICT

Dr. Maria Suttmeier, Superintendent

Board of Education

Ms. Sage Carter, Board Member
Ms. Leslie Coons, Board Clerk
Ms. Linda Hopkins, Board Member
Ms. Willettee Jones, Board Member
Mr. David Kisselburgh, Board Member
Ms. Maria McLaughlin, Board Vice-President
Ms. Carrie Otty, Board President
Ms. Sumayyah Shabazz, Board Member

ICHABOD CRANE CENTRAL SCHOOL DISTRICT

Mr. George Zini, Superintendent

Board of Education

Mr. John Antalek, Board Member
Mr. Daniel Cohn, Board Member
Mr. Matthew Nelson, Board Member
Mr. Jeffrey Ouellette, Board Member
Ms. Mindy Potts, Board Clerk
Ms. Susan Ramos, Board Member
Ms. Regina Rose, Board Member
Mr. Michael Stead, Board Member
Ms. Cheryl Trefzger, Board Vice-President
Mr. Anthony Welcome, Board President

NEW LEBANON CENTRAL SCHOOL DISTRICT

Ms. Leslie Whitcomb, Superintendent

Board of Education

Mr. Michael Bienes, Board Vice-President
Mr. Michael Brutsch, Board Member
Ms. Raymona Griffin, Board Member
Mr. Timothy Lambert, Board President
Ms. Kelly McGivern, Board Clerk
Ms. Sharon Putnam, Board Member
Ms. Christine Sotek, Board Member
Ms. Janet Stone, Board Member

TACONIC HILLS CENTRAL SCHOOL DISTRICT

Dr. Neil Howard, Superintendent

Board of Education

Mr. William Arp, Board Member
Mr. Joseph Costa, Board Member
Ms. Nadine Gazzola, Board President
Mr. Jeffrey Hotaling, Board Vice-President
Ms. Melissa Layman, Board Clerk
Mr. Kevin Maisenbacher, Board Member
Mr. Ronald Morales, Board Member
Ms. Christine Perry, Board Member
Ms. Bonnie Torchia, Board Member
Mr. Harvey Weber, Board Member

GREENE COUNTY

CAIRO-DURHAM CENTRAL SCHOOL DISTRICT

Mr. Anthony Taibi, Superintendent

Board of Education

Ms. Bridget Agostinoni, Board Clerk
Mr. John Amoroso, Board Member
Mr. Stephen Brandow, Board Member
Mr. Dennis Burke, Board Member
Dr. Peter Byrne, Board Vice-President
Mr. Brian Coletti, Board Member
Ms. Elizabeth Daly, Board Member
Mr. David Infantino, Board President
Mr. Robert MacGiffert, Board Member
Mr. Gary Warner, Board Member

CATSKILL CENTRAL SCHOOL DISTRICT

Ms. Annemarie Barkman, Interim Superintendent

Board of Education

Ms. Tracy Darling, Board Member
Ms. Judy Enck, Board Clerk
Mr. William Fiske, Board Member
Mr. Andrew Jones, Board Member
Ms. Christine Kirch, Board Member
Ms. Sasha Kubicek, Board Vice-President
Mr. Kyle Lyles, Board President
Mr. James Nearey, Jr., Board Member
Mr. Ryan Osswald, Board Member
Mr. Junait Shah, Board Member

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT

Mr. Randall Squier, Superintendent

Board of Education

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

GREENVILLE CENTRAL SCHOOL DISTRICT

Ms. Tammy J. Sutherland, Superintendent

Board of Education

Mr. Thomas Connolly, Board Member
Ms. Ann Holstein, Board President
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
Ms. Tracy Young, Board Member

QUESTAR III

Dr. Gladys I. Cruz, District Superintendent

Board of Education

Mr. Edmund Brooks, Board Member

Ms. Lynn Clum, Board Member

Ms. Robin Emanatian, Board Clerk

Mr. Joseph Garland, Board Member

Ms. Nadine Gazzola, Board Member

Mr. John C. Hill, Board President

Mr. James Keegan, Board Member

Ms. Mary Marro-Giroux, Board Member

Ms. Marilyn Noonan, Board Vice-President

Ms. Carol Orvis, Board Member

Mr. Paul Puccio, Board Member

Mr. Frank Zwack, Jr., Board Member