



## Office of the Ulster County Comptroller

### Ulster County Not-for-Profits Snapshot Series: *Green Chimneys*

February 28, 2017

#### **Background**

Access to adequate primary and secondary education is a widely accepted basic right within New York and this country. In its Constitution, New York State (“NYS” or “State”) charges its Legislature with “provid[ing] for the maintenance and support of a system of free common schools, wherein all the children of this state may be educated.”<sup>1</sup> Further, U.S. law and associated regulations “ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living.”<sup>2</sup>

In this State, each school district’s Board of Education is charged with conducting a census, which identifies, locates, and evaluates all students with disabilities who are in need of special education.<sup>3</sup> Additionally, the Board must appoint a committee on special education (students aged 5-21) and a committee on preschool special education (students aged 3-5), which are responsible for tracking the census data and ensuring that evaluations and placements of students are completed in a timely fashion.<sup>4</sup>

Each local Department of Social Services (“DSS”) is tasked with the financial responsibility of the maintenance fee for each legal resident student for services provided from September through June as part of a Committee on Special Education (“CSE”) program. The law additionally provides that the school district of the child’s residence must reimburse DSS a portion of the maintenance costs.<sup>5</sup> The breakdown for reimbursement currently stands as: State share at 18.424%, DSS share at 43.152%, and the school district share at 38.424%. Payments for Ulster County’s CSE program for 2016 totaled \$4.7 million. The County is responsible for paying each agency monthly and receiving the quarterly shares from the school districts. In 2016, the amount received totaled \$1.8 million and State aid totaled \$849K.

Ulster County DSS worked with 18 agencies that had CSE student placements for the 2015/2016 and 2016/2017 school year totaling an average of 44 students. These agencies accommodate students with conditions attributed to the following: autism, deafness, deaf-blindness, emotional

<sup>1</sup> See N.Y. Const. Art. XI, § 1.

<sup>2</sup> See gen 34 C.F.R. § 300.1. Available at [http://www.ecfr.gov/cgi-bin/text-idx?SID=b8919e424983fb18cf1878dc6c74b3fc&mc=true&node=pt34.2.300&rgn=div5#se34.2.300\\_11](http://www.ecfr.gov/cgi-bin/text-idx?SID=b8919e424983fb18cf1878dc6c74b3fc&mc=true&node=pt34.2.300&rgn=div5#se34.2.300_11).

<sup>3</sup> See gen N.Y. Comp. Codes R. & Regs. Title 8, §200.2(a). Available at <http://www.p12.nysed.gov/specialed/lawsregs/documents/regulations-part-200-oct-2016.pdf>.

<sup>4</sup> See N.Y. Comp. Codes R. & Regs. Title 8, §200.3. Available at <http://www.p12.nysed.gov/specialed/lawsregs/sect2003.htm>.

<sup>5</sup> See gen Administrative Directive of the New York State Office of Children and Family Services (16-OCFS-ADM-19) (November 30, 2016) (regarding “Committee on Special Education Maintenance Rates for July 1, 2016, through June 30, 2017, for Out-of-State Residential Schools Approved by the New York State Education Department”). Available at [http://ocfs.ny.gov/main/policies/external/OCFS\\_2016/ADMs/16-OCFS-ADM-19.pdf](http://ocfs.ny.gov/main/policies/external/OCFS_2016/ADMs/16-OCFS-ADM-19.pdf).



disturbance, hearing impairment, intellectual and developmental disabilities, multiple disabilities, orthopedic impairment, other health impairment, speech or language impairment, traumatic brain injury, or visual impairments. These agencies play an essential role in the collaborative effort to ensure that students are provided with the tools they need to be successful in their educational program and after graduation.

**Mission**

This report features Green Chimneys School, as the final piece of the Office of the Ulster County Comptroller’s highest paid not-for-profit review series. Green Chimneys is a New York State 853 school that focuses its services on students with disabilities.<sup>6</sup>

Green Chimneys’ mission is to help “young people to maximize their potential by providing residential, education, clinical and recreation services, in a safe and supportive environment that nurtures connections with their families, the community, animals and nature.”<sup>7</sup> Green Chimneys make animals and plants a large part of their curriculum as part of their belief that children learn their strengths and forge stronger connections with their families through explorative opportunities in a safe and controlled nature-based environment.

**Financial**

Green Chimneys is required to file Form 990 as a 501(c)(3) not-for-profit for tax purposes with the Internal Revenue Service. The chart below illustrates Green Chimneys’ yearly budget, the amount of annual funding they received from Ulster County, and the corresponding percentage that Ulster County contributes toward their overall budget for each of the last three years.

<b>Year</b>	<b>Annual Budget</b>	<b>Revenues Received from UC*</b>	<b>% of Budget</b>
2014	\$ 38,748,962	\$ 845,188	2.2%
2015	\$ 38,555,809	\$ 967,959	2.5%
2016	\$ 37,000,000	\$ 879,217	2.4%

\*According to the County’s financial management system

Green Chimneys’ operations are overseen by a 23-member Board of Directors that volunteer their time and resources. The Board is responsible for many policy-related matters, approving the compensation and benefits packages of leadership personnel, and completing and reviewing the organization’s financial statements. The top paid management positions within the organization account for \$778K and are as follows: Executive Director (\$200,000), two Psychiatrists (\$230,000 & \$158,000), and the Associated Executive Director of Financial Services (\$190,000).

<sup>6</sup> See *gen* “Approved Private, Special Act, State-Operated and State-Supported Schools in New York State,” by the New York State Education Department (stating that “NYS approved private 853 schools, created by Chapter 853 of the Laws of 1976, are operated by private agencies and provide day and/or residential programs for students with disabilities. A Committee on Special Education (CSE) may recommend a placement of a student with a disability in the approved private school when it determines that the student cannot be appropriately educated in the home school district, a neighboring district or in the programs of a board of cooperative educational services (BOCES) program”). Available at [www.p12.nysed.gov/specciald/privateschools/](http://www.p12.nysed.gov/specciald/privateschools/).

<sup>7</sup> See “The Green Chimneys Mission & Philosophy.” Available at <http://www.greenchimneys.org/about/mission/>.



**Program**

As previously explained, Ulster County’s relationship with Green Chimneys is a financial obligation to pay CSE maintenance fees for students who must attend private schools due to a disability.<sup>8</sup>

NYS’ Office of Children and Family Services annually reviews and issues approved CSE maintenance rates for residential schools to the local DSS. These rates must be paid by DSS for each eligible child attending an approved program offered by the private school.

**Comparisons**

The Office of the Comptroller commenced the review of the highest paid not-for-profits in order to inform the public of the services offered by these agencies, as well as their financial implications to the County and taxpayer in providing programs to some of the most vulnerable populations in our area.

A plethora of not-for-profit organizations cover everything from preserving the arts to championing animal welfare. Ulster County funds many different causes for goods and services that are needed throughout the community; however, the top paid organizations are mostly classified as public charities. Most of the time, these organizations help bridge the gap between what goods and services governmental entities are *able* to provide with what they *should* be providing to certain sects of the community.

While several of these agencies share similarities in their services to the community, they can function differently in terms of operations and management style. The reports that were part of this series briefly explained how each agency functions, what their annual budgets were, and how much their top paid personnel made. The following chart compares statistics on the top not-for-profits reviewed.

<b><i>2016 Comparison of Ulster County's Top Paid Not-for-Profit</i></b>				
<b><i>Organization</i></b>	<b><i>Annual Budget</i></b>	<b><i>Revenue Received from UC*</i></b>	<b><i>Top Executive Compensation</i></b>	<b><i>% Of Executive Salary to Budget</i></b>
Gateway Community Industries	\$ 13,494,000	\$ 3,589,252	CEO, \$125,000	0.9%
The ARC of Ulster-Greene	\$ 58,676,217	\$ 3,016,680	Executive Director, \$214,718	0.4%
Family of Woodstock	\$ 9,808,695	\$ 2,479,969	Executive Director, \$110,899	1.1%
Mental Health Association	\$ 8,200,000	\$ 1,934,054	CEO, \$124,644	1.5%
Green Chimneys Children's Services	\$ 37,000,000	\$ 879,217	Executive Director, \$200,00	0.5%

\*2016 data according to the County's Financial Management System 2/13/17

<sup>8</sup> Ulster County also contracts with Green Chimneys as part of their foster care program, which this report does not discuss. The expenses for that program are not reviewed by this Office because they are processed through the separate NYS Welfare Management System.



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Managing multi-million dollar charities can be a complex business, requiring individual who possess an acute understanding and appreciation of the issues that are unique to the charity's mission. The Executive Director and CEO of a not-for-profit organization have the responsibility of designing and executing the overall vision and leadership of the organization and its goals. Attracting and retaining these skillsets, at times, requires competitive level of compensation.

### **Conclusion**

Ulster County couples with not-for-profit organizations as a means to carry out important programs for the members of its community. At times, the County must also forge a relationship with a not-for-profit due to mandates from the Federal and State levels. Green Chimneys is providing an alternative learning environment for students who need special attention and/or unconventional educational methods. For further information regarding Green Chimneys, you can refer to their website ([www.greenchimneys.org](http://www.greenchimneys.org)).