

Westchester Delegation: NYS Budget Forum

Westchester Putnam School Boards Association Testimony, February 5, 2016

Lisa Davis, Executive Director

On behalf of the Westchester Putnam School Boards Association, I want to thank you for the opportunity to present our thoughts on the 2016-17 Executive Budget and current public education issues. We also want to thank you for your ongoing support of public education. We are indeed fortunate to have such an engaged, well-informed delegation, and we are confident that you will promote an agenda that will allow us to maintain, not [decimate/dismantle], the public schools that are indeed the pride of our region.

Let me be blunt, the amount of state aid included in the Executive Budget significantly underfunds the needs of our school districts, particularly in a year where the maximum annual tax levy is based on a 0.12% CPI (more on that later) and the State once again is running a large surplus.

Key State education organizations- NYSSBA, NYSASBO, NYS Education Conference Board- as well as the NYS Board of Regents all recommended a state aid increase of over 2x that which the Governor included in his budget. The NYS Education Conference Board projects that school districts will need an additional \$1.7 billion dollars just to maintain current services under a 0% cap. We know that you understand the issues and we are counting on you, our regional legislators, to right this wrong in the final budget.

We must end the GEA or Gap Elimination Adjustment for once and for all this year! This annual "grab" of school district state aid dollars was initiated back in 2010 to help balance the NYS budget, but the NYS budget is more than balanced; there has been a surplus these past two years, yet the GEA dollars continue to be taken from our classrooms. This must sunset this year. We urge you to work to eliminate the GEA effective July 1, 2016- we cannot wait another year for the funding that is due our school districts. Every budget recommendation referenced above includes \$434 million for the full elimination of the GEA- there is no justification for NYS taking this money from our schools and our children!

Foundation Aid is another key budget that is not appropriately addressed in the Executive Budget. The NYS Education Conference Board projects that NY State is 4.4 billion dollars behind in the original foundation phase-in schedule as mandated by the NYS Court of Appeals as a result of the CFE lawsuit. In our region, our highest need districts are being short-changed each year in this regard: Mount Vernon- \$22 million; Yonkers- \$40 million, Port Chester- \$16 million. The list goes on.

In my limited time, let me also address but a few of the issues related to the Tax Levy Limit, better known as the 2% Tax Cap (if only!). The linkage of the tax levy limit to an annual CPI number makes no sense. About 70% of school district expenditures are employee-based: union contracts, health and other benefits, pension costs. These costs have nothing to do with a "market basket of goods" and cannot be revised by the school district annually to fit with the current CPI number. The levy limit should be 2% or higher, based on a 5 year rolling average CPI, not a single year. Given the recent CPI numbers, many have suggested that it should be a flat 2%, however, unless other parameters change as well, at 2%, New York State will continue to have one of the most onerous levy caps and the fewest exemptions- NJ has a 2% cap and Massachusetts a 2.5% cap and each has a list of common-sense exemptions and requires a simple majority. New York must include a factor for enrollment growth and for tax certiorari judgements and we must address the 60% supermajority vote by the taxpayers- democracy is based on majority rule.

WPSBA would also be remiss if we didn't raise the issue of mandated expenditures- the expenditures which were to be addressed right after the tax levy limit went into effect (back in 2010). Mandate relief in key areas such as Wicks Law, LIFO, the 200+ special education legislative and regulatory items that

supersede the federal regulations but do not necessary better serve our student population, as well as the Triborough Amendment to the Taylor Law. If we are to truly address local school district expenditures and local school district management issues, these items can no longer be considered a third rail!

In that regard, we have noted that the executive budget includes language to increase Charter School tuition in NYC and puts into law that the City must pay for a charter school's real estate lease if a co-location is not offered. This represents a significant expenditure reduction for charters, NYC could be obligated to pay upwards of \$40 million! Why is the State providing flexibility and legislative exemptions to the charter sector while public school districts are burdened with more layers of mandated regulations and legislation, rather than mandate relief?

The Governor and the Senate are once again promoting Investment Tax Credit legislation that will take \$150 million out of the State coffers this year, with significant annual increases thereafter. WPSBA will continue to oppose this legislation which defies the NYS Constitution and will help the wealthy more than it will help the poor. In a year in which GEA dollars continue to be taken from our school districts and the CFE level of Foundation Aid is significantly underfunded, it is unconscionable to even suggest that more money should be diverted to the private education sector.

We also offer our perennial plea to take care of our neediest children; Westchester is home to six of the ten Special Act School Districts which cannot appropriately meet the needs of their unique student population under the current tuition methodology. There is no language in the 2015-16 NYS budget to address their financial needs. We further ask that you ensure that Special Act Public School Districts are specifically noted in any legislation that affects public schools.

Rather we should be funding our public school districts and funding the State Education Department. SED has but a shell of its prior staff, and needs appropriate staffing and resources to develop and implement public education policy that will truly serve the needs of our school districts, teachers and students.

To that end, the moratorium on the use of test scores for teacher accountability must be accompanied by the timely appointment of an appropriately funded panel of experts- including national recognized experts, researchers, and local practitioners to provide guidance on the development of a valid, reliable, educationally sound accountability system. In our October 21st letter to each of you, WPSBA stated "This new accountability system must serve the best interests of our children's K-12 education; it should be clear in intent, yet broad enough to allow SED to develop and implement a system that has the flexibility to address the diverse needs of our school districts. And its implementation must not be linked to state aid payments."

Westchester Putnam School Boards Association truly appreciates your efforts to date. Please ensure that the 2016-17 State budget invests in our children, not just in our State infrastructure. You know our communities, and you know what is needed to ensure that our public education system continues to deliver on its promise for each and every child.

Let me end this testimony as we ended that letter, "In a nutshell, it's time for sound education policy that focuses on students rather than on politics!"