Westchester State Senate Delegation  
February 18, 2020 Budget Forum

Westchester Putnam School Boards Association (WPSBA) Testimony  
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On behalf of the Westchester Putnam School Boards Association, we appreciate your steadfast support of public education and, specifically, our school districts in Westchester County. As you know, our schools play a critical role in the academic, arts, athletic, social-emotional and civics learning of the young people in our region.

The Westchester Putnam School Boards Association would like to bring your attention to some key public education issues related to the 2020-21 State Budget.

**Education Funding**

The Executive Budget proposes adding $504 million to Foundation Aid for the coming year – which we believe is a little misleading as a $50 million increase in the Community Schools set-aside is included in that number. While the total school aid increase proposed in the Executive budget is $826 million, this is in stark contrast to the $2 - $2.1 billion recommended by the Regents and the Educational Conference Board, which are based on the calculated, actual needs of NYS public schools.

The Executive Budget provides a public school aid increase of a mere 3%, compared to an increase in nonpublic school funding of 3% plus grant monies, and a charter school per pupil funding increase of 5.3%.

In an era where tax cap increases are limited, especially with the CPI base rate for calculating the formula at only 1.81% for the coming school year, it is difficult for school districts to add funds from the tax levy. The combination of low State aid and a tighter tax levy cap will put school districts in a difficult bind.

**Foundation Aid**

The Executive Budget proposes dissolving 10 expense-based aids into Foundation Aid. We oppose this measure which will greatly reduce the transparency and predictability of school aid.

Foundation Aid was conceived as a replacement for several needs-based aid streams that existed prior to 2007. Adding usage-based aid categories into Foundation Aid will eliminate the basis on which those aids are determined, and changes the incentive structure for school districts as a result. Specifically, BOCES aid is determined on the basis of usage – a transparent incentive for school districts to send students to career and technical education.
programs regionally, and to collaborate through the shared services structure of the Boards of Cooperative Educational Services.

Shifting $1.85 billion in expense-based aids into the Foundation Aid category creates the appearance of an increase in Foundation Aid. This will have the ongoing impact of inaccurately placing school districts in the “hold harmless” category, even if these districts have not yet received full funding according to the original Foundation Aid formula.

Further adding to the confusion, the Executive Budget school aid runs include the 10 expense based aids in the Foundation Aid calculation. Once again, our region is targeted with limited increases, with 70% of WPSBA districts receiving the minimum increase of 0.25%. After removing the expense-based aids from the Foundation Aid projections for next year, our region continues to lag the state in the full funding of Foundation Aid. Over half of WPSBA districts are expected to receive less than 75% of full funding, whereas only 21% of NYS districts will be in that category. Only 9% of districts in NYS will be funded at less than 60% of the original formula, whereas 30% of Westchester and Putnam districts will receive less than 60% of what the formula requires.

WPSBA strongly urges that the data used in the Foundation Aid formula be amended, including the outdated cost factors and inadequate poverty measure. In addition, the formula should properly reflect the changing student demographics and actual expense of operating in a high cost region adjacent to New York City, similar to how the regional cost factor for Long Island is calculated.

**Building and Transportation Aid**

The Executive Budget is aiming again this year to limit the building and transportation aid owed to school districts. Transportation aid, beginning next year, is expected to be reduced through capping aid-able expenses and eliminating an aid ratio option that is currently used by approximately a third of school districts statewide. With a tax levy cap in place and little Foundation Aid in the budget, requiring districts to cover more transportation costs will ultimately affect classroom funding.

Among other reductions in building aid, the minimum aid ratios are to be reduced from 10% to 5%, which will especially hurt school districts in Westchester County, as most of our districts are considered by the State to be low to average needs. The Governor has focused attention on the infrastructure needs of New York State, and the infrastructure needs of our school buildings are no less pressing. A continuation of building aid is necessary to assist taxpayers in funding school infrastructure that meet the needs of students for physical safety, updated technology and security advances.
Special Education Costs

WPSBA strongly opposes the Governor’s proposal to discontinue funding of the State’s 18.42% portion of special education costs for residential placements. Shifting the burden of the costs of placements for severely impacted special needs students to local school districts will significantly affect the home school districts, the residential placement facilities (which are often associated with Special Act school districts), and the students.

Tax Levy Cap

As almost all of our districts are largely funded by property taxes, the specifics of the tax levy cap are critically important, and often unpredictable from year to year for school districts. The Comptroller announced a 1.81% CPI base number to start the eight step process of calculating a tax levy limit for each school district. As more than 70% of a school district’s costs are in salaries that are negotiated in multi-year contracts, cost reductions when the CPI base factor goes below 2% are difficult.

There are no exemptions for uncontrollable costs, which are unlikely to see increases as low as CPI. In a budget survey last spring, 37 WPSBA districts reported that health care cost increases ate up an average of one-third of the levy increase allowable under the cap, leaving very little to accommodate increases in any of the other costs of running a school district. We believe the formula needs to be adjusted to ensure exemptions for enrollment increases, appropriate treatment of PILOTs, and ensuring no negative tax levy limits.

STAR & SALT

The repeal of the SALT deduction and ensuring no further changes to the STAR program, are critical for our taxpayers. The $10,000 limit on the federal SALT deduction continues to reduce disposable income, and make residents less able and willing to support their local school districts.

Additional changes to the STAR tax relief program as proposed in the Executive Budget will create more confusion and direct costs to taxpayers when they are paying their school tax bills. If the proposed income limits for the STAR Exemption program are reduced again from the current $250,000 to $200,000, more taxpayers will have to apply for the program and pay upfront for an apparently larger school tax bill, before receiving their STAR check in the mail. The paperwork and financial timing obstacles are significant, especially for seniors living on a fixed income.
Special Act Public Schools

The Special Act public schools educate and support our neediest and most challenged students. There are bills in the legislature that require no funding from the State budget, but would help put the Special Act school districts on a more solid financial footing. Please co-sponsor and advocate for the following bills to strengthen the Special Act public school districts:

- **Support** S5605/A8001 (Mayer/Benedetto): Permits Special Act school districts to establish reserve funds.
- **Support** S5192/A7120 (Mayer/Benedetto): Permits use of interim plus rates
- **Support** S7688/A1585 (Harckham/ Abinanti): Increases flexibility in use of funds for facilities improvements.

PreKindergarten

Ensuring all preschool-age children have access to a high quality pre-K program is a worthy goal. School districts should determine the local need for public preK based on the availability of private programs and the physical space and faculty limitations of the district. For those districts that have identified the need for public preK, a stable funding stream with cost inflation factors built in is critical to the long term success of district-provided preK. Based on the Executive Budget, 12 of the 13 Westchester districts currently offering preK will receive no additional funding from New York State next year.

Mental Health and Student Safety

In the current climate, student safety and mental health are critical issues in K-12 schools. Ongoing, flexible funding focused on mental health and security will allow our schools to help our students and protect them as well. In the annual NYSCOSS Superintendent survey, two-thirds of Superintendents identified “improving mental health services” as their top priority for additional funding.

Going forward, small and inflexible grant programs that districts must compete for are insufficient to deal with the ever-increasing student mental health crisis. These programs reach a small number of students and only for a limited period of time. The overall State budget cuts in Mental Hygiene, or mental health services, over the past several years have exacerbated the problem for our schools and our students. Community mental health resources are frequently not available or are oversubscribed, leaving school administrators with few outside options to help students who truly need it. We strongly urge the legislature to reimagine the way these grant programs operate to ensure there is an ongoing and sustainable stream of funds that makes student mental health a priority. To this end, we support the creation and funding of an expense-based aid that will help our public schools provide mental health education and support for our students.
Equity

The Governor focused the education portion of the State of the State and Budget addresses on promoting equity in education. Equity requires providing assistance to address student mental health. Equity requires helping to pay for placements for our most impacted special needs students. Equity requires supporting taxpayers with school tax relief. Especially, equity requires full funding of an updated, needs-based Foundation Aid formula.