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## **Westchester Assembly Delegation Budget Forum**

**February 10, 2023**

**Karen Belanger, Executive Director, Westchester Putnam School Boards Association**

The Westchester Putnam School Boards Association greatly appreciates the opportunity to testify before you today to discuss issues with respect to public education.

We are pleased to be in the position of looking to secure the future of our students and school districts. WPSBA appreciates the ongoing support of the Governor and the Legislature in finally reaching the long-sought goal of full funding of Foundation Aid. In a time where inflation remains high, and districts are concerned about the fiscal cliff of expiring federal pandemic aid, we look to our legislators to help us ensure a stable and secure future for public schools in New York state.

### **Stabilize Funding for Long Term**

WPSBA acknowledges the ongoing support of the Governor's budget proposal to complete the full funding of Foundation Aid and ensure that all districts receive a minimum 3% increase. As we finally reach the benchmark of fully funding the 2007 Foundation Aid formula, it is more than time to revisit the formula and data used in determining school funding. We propose that a process be determined to ensure that the Foundation Aid formula and data are regularly reviewed going forward, so we do not again find ourselves in the position of using outdated data and a formula that does not reflect the current needs of students. The formula should allow for changing student needs and demographics, including English language learners, students with disabilities and those who are living in poverty. The requirements of school districts to provide more robust school security and assist our students in managing mental health needs have fundamentally changed the way schools operate since 2007. The cost formulas embedded in the current Foundation Aid calculation are outdated and inaccurate, especially the regional cost index that does not appropriately account for the cost of operating in the NYC metro region. A community's "ability to pay" is now largely determined by the limitation of the property tax levy cap, which should be reflected in the Foundation Aid formula.

In addition to Foundation Aid, public school districts are primarily funded by the property tax levy, especially in Westchester and Putnam Counties where the local tax levy covers over 80% of expenditures of the median school district. The property tax levy cap effectively restricts the ability of school districts to increase local funding for public schools beyond the level of the cap amount, but issues with the calculation of the formula also create negative incentives for school district operations. WPSBA supports several revisions to the tax levy cap formula, as detailed below.

We call for the ability of districts to carryover unused allowable tax levy amounts for a subsequent three-year period to avoid the current "use it or lose it" situation, which will permit boards to balance the needs of the school district and taxpayers more carefully in any given year without harming district finances in



the longer term. In addition, we support amendments to the formula that would reduce the negative incentives created by the mathematics of the cap calculation, such as eliminating negative caps, including PILOTs in the tax base growth factor, and reducing the impact of annual changes in the use of reserves or transfer to capital amounts. In the current inflationary environment, we are concerned about the cap on the allowable growth factor of only 2%. As the Comptroller has indicated that inflation has been 4.70% in 2021 and 8.0% in 2022, a 2% maximum creates budgeting difficulties for school districts. As districts have no control over state-determined pension calculations, we call for a tax cap exemption for increases in pension costs of over 10% per year. The tax levy cap calculation considers property value growth, which is inappropriate for school district costs, so we call for an amendment to the formula applied to school districts that accounts for enrollment growth, especially as the Governor is looking to increase housing availability (and presumably student enrollment) in the state of New York.

To better plan for future needs, WPSBA supports an increase in the allowable fund balance for school districts. The current maximum unassigned fund balance is only 4% for school districts. In considering adequacy of that sum, the fiscal stress monitoring system developed by the NYS Comptroller considers school districts to be appropriately funded with over 3% of unassigned and over 10% of total fund balance. By comparison, local governments are expected to maintain a 10% assigned and unassigned fund balance and 20% total fund balance to meet the financial indicator. The difference in fiscal stress indicators is solely due to the regulatory environment that does not permit school districts to maintain higher levels of fund balance, rather than the underlying need to ensure funds are available for specific or unexpected future needs.

We appreciate the support of the Legislature last year in permitting SED to forgive paperwork errors on transportation and building aid submissions. Unfortunately, once again, the Governor's proposed budget does not set aside funding to tackle the prior year aid claims queue that as of last year already totaled \$300 million.

As we look to the long-term future of public education in NYS, WPSBA endorses the development of a statewide taskforce to evaluate substantive changes to public school requirements, focusing on increasing efficiencies, to help ensure a stable fiscal future for all school districts in New York State.

### **Support Students**

WPSBA maintains that NYS public schools need a student mental health funding stream that is consistently available for all districts. Especially in our post-pandemic reality, all our students need ongoing assistance with their mental health and social-emotional well-being, as opposed to a program that will provide short term funding to a limited number of districts on a competitive basis. While the RECOVS program provides a welcome focus on student mental health needs, we propose that all students require equitable access to mental health supports and call for a program that recognizes student mental health as a core expense for school districts, supported by the state through an expense-based aid funding stream.



Universal prekindergarten is far from universal in New York State, particularly in the expensive NYC suburbs. While we appreciate the Governor's proposal to increase funding for publicly provided prekindergarten, we call on legislators to increase the flexibility in how those funds can be used to provide additional quality PreK for more students. Last year's Enacted Budget added \$125 million for PreK programs, and the Governor proposes to add an additional \$125 million in the coming year. Of the 46 local school districts in Westchester and Putnam Counties, only 19 districts were able to use any of the PreK aid funding made available for the 2022-23 school year. In fact, even districts with established programs were not all able to use additional funding to increase enrollment in their programs. Currently, PreK is funded through a multiplicity of different programs and at different levels, rather than a streamlined system that is appropriate for all districts. The Governor proposes to add another \$100 million to the base UPK program that allows for payments of \$5,400 per year for a student in a full day PreK program. In the suburbs of NYC, this is insufficient. For those districts that have undertaken PreK programs under earlier aid programs, the annual funding often does not change from year to year, requiring more dollars from the general fund budget of the school district to continue programs for the same number of PreK students. Local districts with space constraints or limited options for community partnerships need additional flexibility in providing this opportunity for students. Finally, making PreK transportation aidable, without the requirement for districts to take on the added burden of transportation for all private PreK opportunities, is critical for families to take advantage of PreK programs. In summary, ensuring greater flexibility in use of a single, consistent, cost adjusted UPK aid stream sufficient to provide quality programs for greater numbers of students will increase the likelihood that districts can implement PreK programs and move New York State closer to the goal of publicly provided, quality universal prekindergarten.

We also urge legislators to restore to school districts the 18.42% State share of CSE residential placement costs. Pushing this funding requirement back on local districts totaled over \$30 million last year and is a dereliction in the State's duty to support the most challenged students. As school districts continue to support our students with special needs, we recommend that funding be spent to the greatest degree possible on programs for students. To that end, WPSBA calls on the legislature to cap payments for parental legal fees and out of district placements. Another student program that is critical to the future of so many young people is to increase the focus on career and technical education (CTE) programs, mostly run by the BOCES throughout NYS. We support calls to increase the BOCES aidable salary cap to ensure that local districts can afford to send students to BOCES programs, and so that BOCES can afford to hire excellent teachers in the CTE arena.

### **Secure Safe and Climate Resilient Schools**

To ensure the safety of our students and the climate resiliency of school infrastructure, WPSBA supports the availability of security funding with the flexibility to be used for staff and/or infrastructure and increased statewide support for districts for cybersecurity. Flexibility in allowing schools to opt out as polling locations will help with building security. We expect health professionals in government to provide clear, consistent public health policies for schools.



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As districts are now mandated to work towards zero-emission school buses, we will be looking to state agencies for assistance and pushing for full funding for the transition in bus fleets. In addition, technical support, and additional funding to ensure the climate resiliency of aging school buildings is a significant need in the lower Hudson Valley.

### **Protect Special Act School Districts**

WPSBA echoes the Special Act public school districts in their call to ensure a timely interim plus tuition rate to plan for current student needs. With increased necessary security costs, we recommend that the direct/indirect cost screen be eliminated, or at a minimum, the security costs be reclassified as direct care costs.

We are very supportive of the Governor's proposed \$2.5 million funding for a study on the tuition rate setting process as the methodology has not changed in over 20 years and is widely considered to be broken. We have some suggestions for the format of the proposed study. First, we recommend that all the relevant parties be involved in the study process, especially the NYS Department of Budget, instead of just requiring that DOB approve the outcome. Also, we prefer that the study be undertaken without preconditions – the requirement in the Governor's language that the process would be cost-neutral to all parties may not be the correct solution for the challenged students served by the Special Act public school districts.

### **Prioritize Teaching and Learning**

We call on the Legislature to eliminate the use of standardized test scores in the APPR legislation. We endorse local control over curriculum and request that legislators recognize and respect education professionals in NYSED and local school districts in developing learning standards and curricula. Unfortunately, we have seen some distressing legislation in other U.S. states, placing restrictions and requirements on curriculum and classroom teachers. We heartily support the Board of Regents and the State Education Department as the best venue for the development of curriculum standards by education professionals. We trust local boards of education to approve and support curriculum that meets state standards, to be implemented in classrooms throughout New York.

We hope that legislators will continue to stand behind the Board of Regents and State Education Department in their efforts to allow multiple pathways to high school graduation and will support NYSED in making needed changes to the teacher certification process that will ensure that well-qualified teachers are present in all classrooms in NYS.

Thank you for your ongoing support of public education in Westchester County, and all you do to assist educators in public school districts in providing academic, extracurricular, social, and mental health programs and services to the young people of our state.