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Thank you for the opportunity to speak today. My name is Stephen Beovich, and I am the Interim Superintendent of the Mount Pleasant Cottage School UFSD. I will be specifically addressing Special Act School Districts. As you are all aware 6 of the remaining 10 Special Acts are in Westchester County and we serve students with some of the highest needs in the state.

Special Acts are very often misunderstood, deprioritized, or overlooked entirely. Once again, we were not included in the Governor's Budget.

Again, as you know, we are public schools, subject to all of the same mandates, regulations, and expenses as every other public school in the state. However, in many ways, we are not treated equally, and it is most evident in examining our funding process.

I want to thank Assemblyman Abinanti who has repeatedly tried to rectify this issue by sponsoring a bill to allow special acts to have their own methodology. Unfortunately, this bill was vetoed by the governor.

Today I will illustrate the importance of including the Special Acts in the governor's budget and how it can be done in a revenue neutral manner. Every other public school in New York State enters the school year with a firm knowledge of their budget for the coming year. Special Act districts are not afforded this luxury. We must first manage the uncertainty of being tuition-based, which is then compounded by an undetermined tuition rate, not typically set until mid-year.

As a clear illustration, my district began this school year charging our previous year tuition rate. The division of budget has approved a tuition rate increase, but not until late in the previous fiscal year. As a result, the methodology was not able to be updated until after the fiscal year began and tuition rates were not issued until January 2019. Our rate for example was finalized on January 19th. Thus, Special Acts are consistently working on budgets that are delayed at least 6 months. These delays in budget finalization wreak havoc on any attempt at effective and responsible planning. This year in particular, the delay caused our district to have to put off hiring an elementary teacher, a school psychologist, and a teacher assistant. Although the money we receive is retroactive to July 1st, nothing can replace the time our students went without these crucial services.

This is precisely why it is critical to have our tuition growth rate included in the governor's budget. With the growth rate being included in the budget, as opposed to waiting for a tuition growth rate to be proposed administratively, the methodology can be developed in a timely manner. This lead time would hopefully allow our tuition rates to be issued at the beginning of the new fiscal year. Again, this proposal would not cost the taxpayer a single cent. It would be entirely revenue neutral. By including the growth rate in the budget, the districts would receive the same amount of funding. The only difference is they would receive their approved tuition rate starting July 1, instead of receiving a sizeable budget change six months later.

To be clear, I am not contending that this would fix every issue the Special Act districts deal with.

There are special act districts that have not been issued tuition rate increases since 2012, which makes it quite difficult for them to remain viable with increasing costs across the board. In previous years there have been efforts to make these tuition rates current through an interim plus rate but this proposal has been rejected multiple times by the division of budget.

Special Acts cannot keep any reserve funds, while every other public school can hold a 4% unassigned reserve fund, plus additional specific reserve funds such as a capital reserve fund.

There is also no real-time waiver system in the rate-setting methodology. If a district has to go above their cost screen to hire a staff member due to IEP mandates there is no real-time way to know if the cost will be allowed. The approval or denial of such costs are notified over a year later when their rate is reconciled. This puts districts in a situation where they have to gamble their long term financial stability in order to provide desperately needed student services.

Those, I realize, are issues for a different day. Today I ask you again to please support the revenue neutral solution of including the tuition reimbursement growth rate into the governor's budget so that our students have a better chance at success.

Thank you for your time and consideration

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