

**Testimony of Dr. Bruce Fraser  
To Senate Education Committee  
On Behalf of the NY State Rural Schools Association  
Provided: October 16, 2013**

**Introduction**

I am pleased to have an opportunity to address this Committee on behalf of the 280 member school districts and the 28 BOCES which make up the membership of the NY State Rural Schools Association. Our member districts represent 40% of New York's school districts and serve one out of every eight public school students enrolled in New York's public schools. Reflecting New York State's size and diversity we note that New York educates the eighth largest number of rural students of any of our nation's fifty states. The Rural Schools Association represents districts from the eastern tip of Long Island to the most western point of our state, and from the Quebec border in the north to the Pennsylvania border. Approximately one half of our member school districts are classified as "High Need Rural Districts" by New York State.

**Overview**

In preparing testimony on behalf of the Rural Schools Association, I have benefitted from an opportunity to read the testimony provided to this Committee at two prior hearings. To avoid being repetitive, I plan to briefly explain to the Committee where our organization stands in relation to the massive reform agenda New York has undertaken. Beyond that, I will provide you the perspective of rural school districts on this reform agenda and our priorities for the future.

**Ambitious Change Agenda**

The State Education Department undertook two major reform initiatives (introduction of a mandated Annual Professional Performance Review process and

implementation of the Common Core Curriculum—with new Grade 3-8 assessments) utilizing a compressed, overlapping time frame. SED’s utilization of training materials that portrayed this ambitious change agenda as “flying a plane while it was being built” proved to be both accurate and regrettable.

Simultaneously implementing several major reform initiatives during a period of resource scarcity presents additional challenges. State aid in 2013-14 for members of the Rural Schools Association averages seven percent lower than the same school districts received five years earlier (in 2008-09). While state aid remains reduced, Local Property Tax Cap legislation was passed in June 2010 impacting school district budgets beginning in 2011-12. In essence, both of the major sources of revenue school districts benefit from were constrained concurrently with introduction of a massive reform agenda. Grant funding rural district’s received from Race To the Top proved woefully insufficient to cover even a small portion of the implementation costs districts faced.

Throughout implementation of these two major reforms communication from SED suffered from problems with clarity and timeliness. Even in an era of electronic communication it takes time for directives to be interpreted and understood, then disseminated to all levels of an organization. Contributing to further implementation problems, personnel at the district level frequently operated under the false conviction that SED would back off from their time frame implementing reforms. SED’s release of materials to support instruction based upon the Common Core Curriculum had been delayed. Despite those delays Grade 3-8 tests based upon the Common Core Curriculum were initiated this spring.

Trust between SED and districts—and between districts and employee group’s remains at low levels. Parent discontent has emerged. That discontent has been fueled by employee groups in some cases. Legitimate questions about whether the new tests are properly scaled have arisen based upon (1) the percentage of accelerated 8<sup>th</sup> grade students demonstrating “college readiness” on the Algebra Regents exam while failing to demonstrate grade level proficiency on the Grade 8 Common Core Curriculum assessment, and (2) the percentage of students in previously high performing school districts that failed to show proficiency at grade level on the new Common core Assessments. These are school districts where high percentages of students routinely

demonstrate “college readiness” on Regents exams and achieve success being admitted and studying at our nation’s most competitive post-secondary institutions.

### **Current Status: SED’s Major Reform Agenda**

Implementation will remain challenging, **but New York has little choice but to move forward with great effort and focus to implement the Common Core—and work out issues that arise related to the new APPR mandate.** Fully implemented the Common Core Curriculum should provide a curriculum with greater depth—and one that calls upon students to engage in more analysis and problem solving. **Educators should never oppose realistic efforts to upgrade the rigor reflected in the instructional content.**

Over time, sound evaluation systems are likely to improve the performance of instructors. Strong systems for analyzing data and instituting targeted staff development programs must be put in place to assure the success of these reforms.

Looking back, these reforms could have been rolled out without some of the issues that have arisen. **That being said, at this time all parties (NYSED, legislators, school districts, BOCES officials, administrators, faculty members, and parents) must put aside agendas and focus upon making these reforms work for the children of this state.**

### **Funding Allocation Remains A Critical Concern for the RSA**

When providing testimony to a Senate Committee it makes sense for the **Rural Schools Association** to address the issues which are of greatest concerns to our member districts and **which the Senate can address.** At this time NY suffers from great disparity in the performance of school districts. Within our state, high performing school districts are frequently located in close proximity to school districts that are struggling to produce acceptable student outcomes. Our organization sees funding disparities as a major contributor to performance disparities. We also view unequal tax burdens as a major cause of upstate’s economic woes.

Constitutionally NY State is required to provide for a, “system” of education for all children of the state. Courts have interpreted NY’s Constitution to mean that children, regardless of the zip codes where they reside, are required to be provided a “sound basic education.” Wide disparities in the resources made available through state aid and under the local tax cap call into question whether that mandate is currently being met.

During the most recent legislative session new “tiers” were added to the existing formulas that distribute education funding to local school districts. Viewed in the most positive light those additional “tiers” represent the effort of the legislature to adjust complex formulas to be more fair. Viewed by a skeptic, those tiers represent political manipulation of the formulas for deliberate regional, or constituent benefit. Regardless, those new tiers are evidence that as my colleague David Little, NY State School Boards Director of Governmental Relations has previously testified, that existing formulas have been “bastardized” to the point where they need to be replaced. Discontent with the outcome of those formulas comes from all corners of the state. Recent newspaper accounts from Long Island express outrage that the local tax levy cap does not appear to be working. Upstate residents, including many represented by the RSA see evidence that legislative actions have favored the wealthier downstate regions of the state. Residents of New York City and the Lower Hudson region express frustration that their income taxes are funding the education of upstate students.

When we look at disparities, we must not only consider disparities in student performance, and disparities in resources to support educational programs. We must also consider disparities of tax burden. The goals of a strong state system for school finance should be two-fold:

1. Too assure all students of the state have relatively similar educational opportunities, and
2. To maintain relatively equal tax burdens across all regions of the state.

When operating properly sound school funding formulas equalize tax burdens. Ideal conditions will not exist when annually the legislature haggles over where school funding will flow.

New York spends a great deal of money to support education. An academic analysis conducted by Dr. Bruce Baker, from Rutgers University studied the funding

mechanism of each of our nation's fifty states. That study ranked NY near the top (4<sup>th</sup>) in "adequacy" of education funding. That same national comparison ranked New York very low (44<sup>th</sup>) on a second criteria labeled "regressivity vs. progressivity." **For our state to spend large amounts of money in support of education but allocate those funds through badly flawed formulas amounts to folly.**

A politicized system of allocating school funding to school districts has evolved in New York. A system where legislators campaign for re-election touting that, "I brought home the bacon for my school districts," is largely to blame for an allocation formula that now includes eleven tiers for calculating Gap Elimination Adjustment reductions. We ask that legislators acknowledge that when their constituents get more than their fair share—the future of children in other communities is damaged. With the deepest respect for the very difficult job that our elected legislators carry out, I ask that the members of this committee work with colleagues in the Assembly to:

1. De-couple educational funding allocation decisions from the legislature by bringing in a team of out of state school finance experts to design a school finance system that is fair to all types of school district, across all regions of the state,
2. That this team of out of state experts be charged to operate independently of political influence, and to recommend a system for allocating school funds that is equitable, predictable, sufficient, and comprehensible to any resident of the state with a high school education,
3. That the recommendation of this School Funding Reform Commission become law at a date certain unless that recommendation were to be specifically turned down by a vote of the legislature,
4. That provision be made in this Commission's plan for a three year phase in of their new plan in order to cushion every districts from the dislocation a neutral formula might impose on individual school districts, and
5. That after six years another outside Commission be charged with reviewing the impact of the new operating formula and make recommendations for adjustments/improvements.

Absent this level of reform, grave concerns for the future of upstate communities must be expressed. What business, large or small, is going to commit to—or remain—in a region where the quality of school programs have been compromised and local taxes are among the highest in the nation (as a percent of property value).

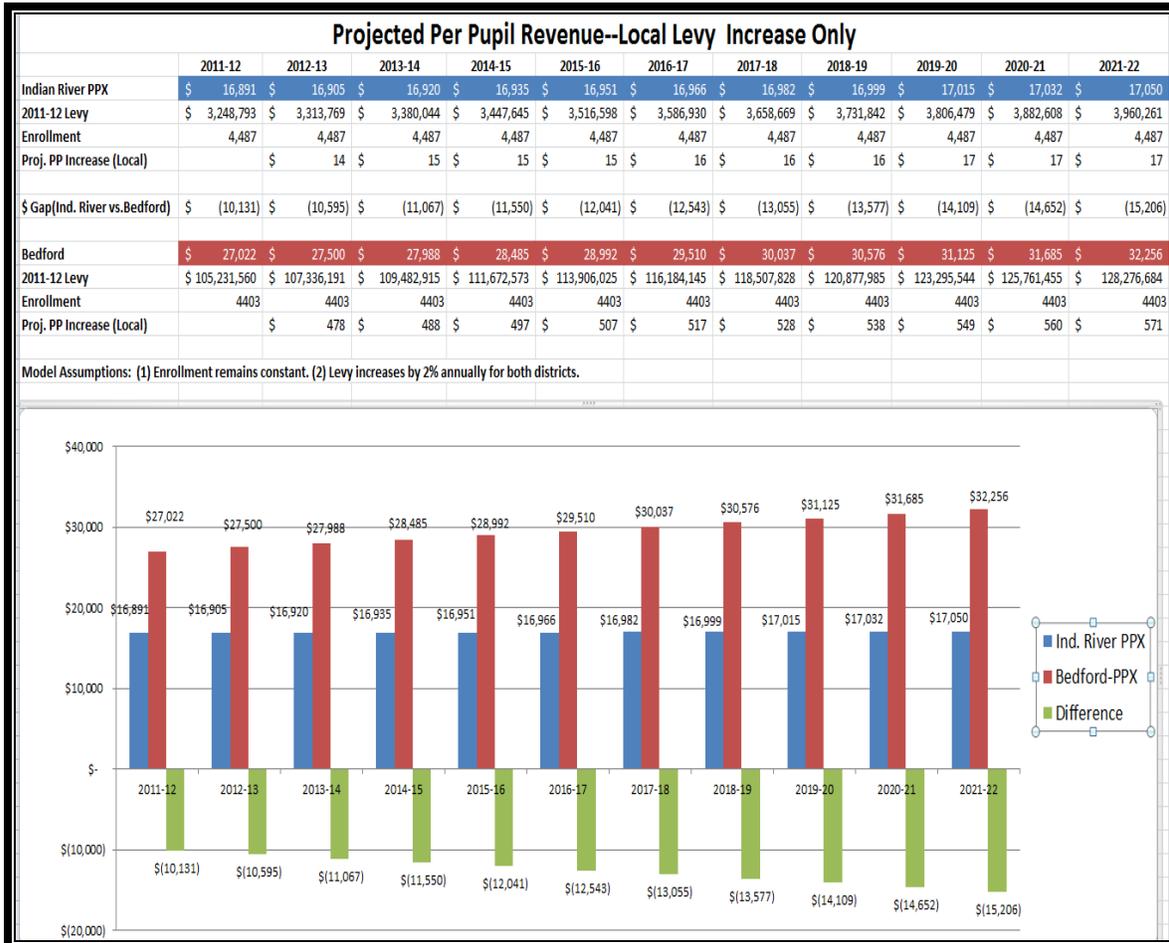
### **Looking Forward:**

#### **A Decade Under the Tax Cap: Gaps Become Chasms**

The Rural Schools Association represents member school districts—with our perspective shaped by what is good for our communities—and our children. As such, there are aspects of the Local Property Tax Levy Cap which we appreciate. Certainly, the tax cap has made negotiations with employee groups a more balanced process.

The Rural Schools Association’s reservations in regards to the Local Property Tax Cap grow out of concerns for the long term implications of operating under the cap. We have developed a chart we hope illustrates this concern (Chart #1). These charts portray two similar sized districts with very different initial tax levies. Initially, the low wealth, upstate district spent \$10,131 per pupil less than their wealthier counterpart. Assuming (1) enrollments for both districts remained constant over a decade, and (2) that each district approved budgets that annually increased the local levy by 2% the chart below illustrates that over a decade the spending gap between these two districts widens to \$15,206 per-pupil. The only way this gap does not continue to widen under the local tax cap legislation is if the state is willing to direct almost all of the new funding available over the next decade to low wealth, upstate school districts. That would require great political courage on behalf of the legislature.

# Chart #1



## Specific Rural School District Concerns

Almost every new mandate imposed upon the approximately 675 school districts in New York will have a differential impact upon districts. As noted, I do not wish to be repetitive in relation to points made at the two prior hearings. Instead, I have summarized the input received from RSA members which may be unique to the circumstances our members have encountered. I offer this input hoping that it will result in greater consideration of the unique concerns of rural school districts.

### Differential Impact: New Costs Upon Rural School Districts

With smaller budgets, and smaller local tax levies, rural school districts have less flexibility to absorb *any mandated cost* increases. As an example, assuming three school districts each were required to spend \$20,000 on legal fees to arrive at their initial APPR agreement the chart below indicates the differing impact that new cost would have on the portion of the district's allowable annual increase (2%):

Rural Schools Association	Cost of APPR Negotiations	Prior Year Levy	Expended as % of 2% Limit
District A	\$20,000	\$1,544,000	64.80%
District B	\$20,000	\$3,914,000	25.50%
District C	\$20,000	\$7,097,000	14.10%

**It is notable that for a district with a \$1.554M local levy the legal costs of negotiating their mandated APPR agreement could have consumed almost two-thirds of their increase allowed (without 60% majority support) under the Local Property Tax Levy Cap legislation. If, as anticipated, the levy cap is set at 1.6% for 2014-15 and this district was required to spend \$20K in reaching a successor APPR agreement about 85% of the allowable growth under the tax cap legislation would be consumed. We trust this example illustrates the crippling impact any new mandated costs can impose upon rural, low property wealth school districts.**

**Please note:** An analysis of the most recent Property Tax Report Card data indicates that the **NY State Rural Schools Association** represents 38 school districts that have a 2013-14 tax levy of \$3M, or lower.

Other areas where significant cost increases may be generated based upon the implementation of the APPR mandate, or implementation of the Core Curriculum are noted below:

- Anticipated increase in 3020a proceedings based upon APPR changes,
- Purchase of new materials to support Core Curriculum implementation,

- Purchase of test prep/practice materials for Core Curriculum,
- Training costs for each newly appointed administrator involved in APPR implementation (rural school districts train many administrators for their urban and suburban neighbors),
- PARCC assessment technology upgrades,
- Substitute costs in support of Core Curriculum,
- Substitute costs for scoring of assessments,
- Subsequent negotiations of Annual APPR agreements.

Each of these costs have the potential to “eat up” all of a low property wealth school district’s allowable increase under the property tax cap legislation.

### **Personnel Impacts**

Rural districts operate with lean administrative staffing levels. Frequently, this requires that the Superintendent be directly involved in the APPR plan of a small district. That inclusion can present problems for districts in relation to the appeals procedures permitted employees. Additionally, a BOCES Superintendents in a very rural region of the state pointed out that the direct role played by rural Superintendents in the APPR plans of smaller district may restrict the ability of these districts to utilize Interim Superintendent in the future.

Similarly, the specific training required to implement APPR plans will greatly restrict the options districts have in finding Interim Principals if a building leaders working in a small school district should experience a health issue. Even very experienced and respected administrators may be unable to assume Interim Building Principal roles if they lack the training required to implement a specific APPR model.

### **Conclusion**

In my testimony today I have recommended that the Senate consider ceding a major part of their duties to an independent Commission. I make that recommendation with the deepest respect for the challenges that allocation of school funding involves. In

conversations with Senator Flanagan I have developed a deeper insight to the challenges he faces as Chair of the Senate Education Committee. Being fair to all of the children of this state, and to his Senate Colleagues, may place him in a position at odds with constituents of his district. Education funding becomes a more complex issue in a diverse state like New York—**but we can do better**. Local school districts’ and citizens of the state need to be confident that the school funding system will not be turned upside down by the results of the next election. In the system I propose the legislature continues to weigh what level of support the state can provide for schools each year based upon New York’s current fiscal conditions and other state priorities. Those are the critical issues legislators should decide!

To convince you not to dismiss this radical proposal, out of hand, I will ask two questions—“Could you do your job better as legislators if you did not need to spend countless hours hosting Superintendents, and representatives from interest groups during those demeaning, “Tin Cup Tuesdays?” Also, could those Superintendents serve their communities better if they stayed home and focused upon implementing the challenging set of reforms our state has undertaken?

I submit to you that the allocation of school funding is such a critically important and politically sensitive issue that it should be resolved using a model similar to the one employed in reaching decisions on which health care facilities should be closed or repurposed.

I am most appreciative of the opportunity to provide testimony today. I would be glad to address any questions you may have at this time.