



**Testimony of the Washington Saratoga Warren Hamilton Essex (WSWHE) BOCES
and its 31 Component School Districts**
Joint Budget Hearings on Lower Education
Submitted by James P. Dexter
District Superintendent
February 6, 2019

Good morning Chairpersons Krueger, Mayer, Weinstein and Benedetto, and other members of the Senate and Assembly. We are Dr. Douglas Huntley, Superintendent of the Queensbury Union Free School District and Andrew Cook, Superintendent of the Hartford Central School, and we are here on behalf of our thirty-one (31) school district Superintendents in the WSWHE Supervisory District and our District Superintendent, Mr. James Dexter. We are here today to provide some insights about how the Governor's proposed 2019-20 Executive budget would, if enacted, impact the 31 component districts that comprise the WSWHE BOCES, the staff who work at our schools, as well the 35,000 students who attend our schools.

We would again, like to extend to you and all Members of the Legislature - (Senate and Assembly) our very sincere thanks for all you have done, and continue to do, to support our districts and our students. Our districts, like many from around the State, are serving students who are increasingly facing challenges that make learning difficult. The number of students living in poverty, those who are homeless and/or who have special needs continues to increase each year in nearly all of our districts. As a result, it is essential, for the sake of our students, that we receive adequate state aid. We thank you for your on-going advocacy that has helped increase the amount of funding for schools, including ours.

We will again ask for your support to ensure that the amount of school aid that is provided in the final enacted 2019-20 budget is increased and several of the changes proposed by the Governor are rejected. As will be described later, the Governor's proposed 2019-20 budget not only provides an inadequate amount of school aid, it would also put into place funding changes that would hurt our districts and most importantly our students.

Background:

As a point of background, the WSWHE BOCES serves 31 school districts in a five-county region. There are three city school districts, three union-free school districts, one common school district and 24 central school districts. The total enrollment in the 31 component districts in Pre-K through grade 12 is approximately 35,000 students.

This is a critical time for all of the 31 school districts that comprise the WSWHE BOCES as they again attempt to ensure that our students are provided all the programs and opportunities they require to meet the needs of a 21st century economy. At the same time, the 31 districts face constraints that are related, in part, to our districts' inability to generate local revenue because of the tax cap, the significant and growing needs of our students, and increasing costs from escalating health and pension costs, among other factors.



We cannot underscore enough the significant needs of our students and the resources that districts require in order to address these needs. The Governor's proposed 2019-20 budget not only provides an inadequate amount of school aid, it recommends among other changes, combining the major expense aids into one formula and limiting growth to inflation and student enrollment. In addition, several factors upon which the funding formulas are based do not adequately take into account the true needs of the students we serve which creates an unfair distribution of state aid. To illustrate:

- Sixty-one percent (61%) of our districts have 1000 or less students, with the majority of these districts having less than 700 students.
- Our districts are located in communities that are very constrained by the amount of revenue that can be generated locally due to the tax cap.
- Although most of the districts are considered of "average" wealth because they have a Combined Wealth Ratio (CWR) of 1.0, many have a high percentage of students with special needs: they are poor, in foster care, and/or are homeless.
- Many of our districts have more than 50% of their students that qualify for the Free and Reduced Lunch Program (FRLP), with some significantly higher.
- We also have several districts that appear wealthier because they have a high CWR, due to the presence of expensive lakefront property located within their district boundaries despite the number of residences that are of low income. Because the formula gives equal weight to both income and property wealth, these districts appear wealthier than they are and as a result, they receive less aid.
- Over the past several years, our districts received only a relatively small amount of Foundation Aid. These factors, combined with the inability of districts to generate revenue locally based on the tax cap, has continued to impose significant financial constraints on our districts. The Governor's proposed 2019-20 budget will do little, if anything, to address the challenges our districts face.

It is for these and other reasons, we urge the Legislature to implement the following recommendations:

Aid to Education:

The Governor's proposed 2019-20 budget only includes \$338 million for Foundation Aid, which is inadequate funding to support our schools and more importantly our students. Again, it must be underscored that this is **NOT** adequate funding to support our schools and students. This is true statewide but is particularly problematic for our districts because as indicated, many of our districts are classified as "average need" despite the growing and significant needs our students face.

Based on these factors, we recommend the following:



A. Fund and Adjust the Foundation Aid Formula:

The Foundation Aid formula was put in place over a decade ago as part of an effort to provide for a transparent, equitable, and reliable funding stream for school districts. While it is essential that the Foundation Aid formula continue, it is important to note that several key factors have changed—specifically the enactment of local tax cap. With the implementation of the tax cap, it is critical that the Foundation Aid formula be adequately funded and modified in the following manner:

Recommendation:

- **Review and Update the Foundation Aid Amount that currently is \$6,714 per pupil.**
- **Adjust the weighting factor for Free and Reduced Lunch.** Since the great recession, area school districts have seen a notable increase in the number of students who qualify for the Free and Reduced Lunch Program for School Lunch (the FRLP count) each year. The Foundation aid formula was designed prior to the “great recession” and the tax cap. **To this end, the formula must adjust the weighting factor for FRLP from .65 to .75-.80.**
- **Reduce the Income Wealth Index (IWI).**
- **Maintain the “SAVE Harmless” provision.** While many districts have lost enrollment, the decrease is generally not sufficient to reduce staffing.
- **Provide a minimum increase of 2% in Foundation Aid to all school districts.**

B. Eliminate the Provision Which Combines and Limits Growth of Expense Aids:

As indicated, the Governor’s proposed 2019-20 budget would, if enacted, consolidate the major expense-aids beginning in the 2020-21 school year. The language would limit the growth of these aids based on inflation and district enrollment. While problematic for most districts, it would hit districts like ours particularly hard because some have, and may continue to lose enrollment. It is important to note however, that even when student enrollment declines, it is still necessary for districts to provide students with all the education programs that are required and for which they are entitled: math, science, English Language Arts, etc.

Expense aids are just that—reimbursement to districts for the expenses they incurred—mostly for services they are required to provide. Included in this consolidation of aids is BOCES aid. This runs counter to the direction the state should be moving—incitizing districts to work with BOCES to enhance program opportunities for students while increasing efficiencies among districts. Instead, this proposal would require districts to make decisions based on cost containment rather than what is in the best interest of our students.

Recommendation:

- **This proposed change should be rejected.**



C. Eliminate the Provision Which Modifies the Current Building Aid Formula:

The Governor's proposed 2019-20 budget, would, if enacted change the current building aid formula by reducing the minimum aid ratio from 10% to 5%, change the calculation of the incidental cost allowance, replace the 10% building aid incentive with a wealth-adjusted calculation and eliminate a district's ability to use a selected aid ratio. All of these changes would make it more difficult for districts to undertake important and necessary building projects and would reduce the aid they would receive.

Recommendation:

- This proposed change should be rejected.

D. Increase the \$30,000 Threshold on BOCES Aid for Career and Technical Education (CTE) programs:

Career and Technical Education (CTE) Programs provide students with essential skills that prepare them for college and careers. However, the existing state aid formula for CTE programs operated by BOCES only provides aid for the first \$30,000 of a BOCES' instructors salary, although the average salary is now \$67,000. The current salary was established in 1992 and must be increased to ensure that students have access to CTE pathway but providing 100% aidability for the salaries of CTE salaries.

Recommendation:

- Increase the aidable salary for CTE instructors to 100%.

E. Building Aid for Small Capital Projects:

Current law allows school districts to be reimbursed for base year capital outlay expenses *for one project each year* that has a total cost of \$100,000 or less without being subject to the lengthy assumed amortization schedule that otherwise exists. This helps districts to undertake smaller, but important capital projects, receive aid much quicker, while saving the State money on interest payments. The threshold amount of \$100,000 was established in 2002 and not increased since that time.

Recommendation:

- Raise the threshold amount to \$250,000 that will assist districts in making critical improvements.

F. Increase the Salary Cap for District Superintendents:

There are few jobs more important to the education system, school districts and our students than that of the BOCES District Superintendent. District Superintendents provide the leadership, vision and oversight over all of their component districts while also providing tremendous guidance to the State Education Department. Despite the very significant role they play, the Boards of Education who have legal responsibility for selecting District Superintendents have had their authority limited due to the statutory cap that exists for these education leaders. It is



important to note that District Superintendent salaries have been capped since 2003. To address this problem, legislation passed both Houses of the Legislature during the 2018 session but it was vetoed by the Governor. In the veto message, the Governor indicated that this should be addressed in the budget so we are urging the Legislature to increase the salaries for BOCES' District Superintendents in the budget.

Recommendation:

- **Raise the salary cap for BOCES' District Superintendents in the final enacted budget.**

In closing, we urge the Legislature to implement these recommendations as part of the 2019-20 budget process to ensure that all districts have the resources to provide our students with the programs, opportunities and skills they require to graduate and enter college or the workforce. On behalf of the WSWHE BOCES and all the 31 school districts, we thank you for your time and consideration of these most important recommendations.

