



Boards of Cooperative Educational Services

BOCES
of New York State

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TESTIMONY OF THE BOCES EDUCATIONAL CONSORTIUM

Joint Budget Hearings on Lower Education

Submitted by Thomas Burns

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Chair of the BOCES Educational Consortium

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Good morning Chairpersons Young, Farrell, Marcellino and Nolan and other Members of the Senate and Assembly. My name is Tom Burns. I am the District Superintendent of the St. Lawrence-Lewis BOCES and the Chair of the BOCES Educational Consortium. Thank you for allowing me the opportunity to provide some important observations about the current state of New York's education system as well as how the Governor's proposed 2016-17 Executive Budget Proposal will impact the State's BOCES system, the school districts that are supported by BOCES and most importantly the students who benefit from the BOCES network.

Background:

As a point of background, the Boards of Cooperative Educational Services (BOCES) were created by the Legislature in 1948 "for the purpose of carrying out a program of shared educational services in the schools for the supervisory district and for providing instruction in such special subjects as the commissioner may approve."

BOCES' role, based on its mission can be described in three primary ways:

- 1) An *educator*;
- 2) A *facilitator* of collaborations and efficiency; and
- 3) An *engine for economic growth* for the State.

- **BOCES as an Educator:**

There are 37 BOCES located throughout the State. With the exception of the Big Five who are precluded from participating by law, all districts but 4 are components of BOCES. BOCES educate hundreds of thousands of students from around the State. The mission of BOCES is to prepare a diverse student population for roles in the global economy and to initiate collaborations designed to close gaps in student achievement.

- **BOCES as a *Facilitator of Collaborations to Achieve Efficiencies:***

BOCES are the premier example of inter-municipal collaboration in New York State that works. Since its creation over 60 years ago, local school districts have been able to use BOCES to provide a wide range of educational programs and services through an organizational structure that is a model of inter-district cooperation. In addition, BOCES is able to leverage the strength of multiple school districts and provide a wide variety of services that individually, school districts could not provide because the costs would be prohibitive.

- **BOCES as an *Engine for Economic Growth:***

A major focus of BOCES is to provide high-quality effective job training for our students through our Career Technical Education (CTE) programs that help them to obtain the skills they require to go onto to college and/or to obtain stable and long-term employment. Research on our CTE programs has demonstrated their effectiveness in terms of how they help students to achieve academically as well as providing them with the capacity to compete in the job market. We also provide strong programs for adults to help them obtain new skills. BOCES plays a critical role in helping to create a skilled workforce that contributes significantly to New York's economy.

BOCES also partners with hundreds of businesses throughout the State each year in its efforts to provide goods and services to school districts in a cost effective manner. Last year, the collaborations between BOCES and our private sector partners totaled over \$700 million in shared goods and services that benefited school districts.

With this mission in mind, I would like to highlight several important aspects of the Governor's proposed 2016-17 budget but also underscore several important initiatives that are not included in the budget that should be considered for inclusion.

I. Aid to Education:

The Governor's proposed 2016-17 budget provides \$991 million in direct school aid. This amount is significantly less than what is needed by districts. Given a property tax cap of 0.12% and without additional aid, it will be extremely difficult for many school districts to meet the educational mandates and requirements placed upon them. This will result in a loss of programs and services to students.

Recommendation:

School districts require an increase in direct school aid for 2016-17. In addition, the current formula for the Property Tax Cap has created a situation where many school districts are unable to raise any local revenue without a supermajority. The Property Tax Cap formula should be adjusted to have a 2% floor.

II. **Enhanced support and BOCES Aid for Career and Technical Education (CTE) Programs**

The BOCES of NY State urge legislators to provide all New York State students with access to programs that lead to multiple pathways for high school graduation, including the new CTE-based pathway. We also urge our leaders to ensure that funding for CTE be enhanced by adjusting the existing aid formula that supports these programs.

Recommendation:

The existing CTE BOCES Aid formula was established in 1990 and only provides aid for \$30,000 of a BOCES CTE instructor's salary. Because of this, the state's contribution to Career and Technical Education continues to decrease, shifting the costs to the local tax payers. To address this concern, we recommend that 100% of a BOCES CTE teacher's salary be "aidable". We further recommend that the formula include those BOCES teachers who teach in P-Tech programs and STEM high schools.

III. **Continue to support the BOCES Capital Exemption from the Tax Levy Cap**

In the spring of 2015, the Office of Taxation and Finance was directed, pursuant to law, to promulgate regulations to exclude BOCES capital expenditures from the tax cap in the same manner as school districts' capital expenditures. Unfortunately, these regulations have not yet been developed. The failure to address this significant problem in a timely manner will unnecessarily cost school districts financial resources and jeopardize important capital projects.

Recommendation:

This issue needs an immediate legislative solution. It is important to note that several BOCES are in the planning stages for undertaking important and essential capital projects. Before proceeding, **each** component school district that is a part of these BOCES must approve the project. Because it is not clear how BOCES capital will be treated (e.g., inside or outside the tax cap), these projects may be jeopardized or will be delayed, costing the component districts and the State more money.

For these reasons, a statutory change should be enacted that states clearly that BOCES capital will be treated in the same manner as school district capital and placed outside the tax cap.

IV. **Authorize BOCES to address long-term employee costs through the establishment of other post-employment benefit ("OPEB") trusts or reserves.**

Despite the large and increasing costs that BOCES continue to incur each year on behalf of their component districts in employee post-retirement benefits (OPEB), we do not

have the legal ability to set aside funds for this purpose. As a result this very significant long-term financial liability is a ticking time bomb that threatens the fiscal stability of BOCES and their component districts. To date, it is estimated that the 37 BOCES have responsibility for approximately \$3.5 billion in legacy costs for all current employees and retirees.

Recommendation:

Support the State Comptroller's proposal (A5525) that authorizes the establishment of other post-employment benefits (OPEB) trusts.

In closing, we believe that now is the time for the Governor and the Legislature to expand the role of BOCES in order to allow this network to provide greater assistance to the schools and students of New York State.

Thank you for the opportunity to these present recommendations. On behalf of the BOCES Educational Consortium, we look forward to working with you on these most important issues.

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