



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

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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 Dan White; I am the District Superintendent of Monroe #1 BOCES, and I am presenting this testimony on behalf 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 2017-18 Executive Budget Proposal will affect 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. 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:***

BOCES plays a critical role in creating a skilled workforce that contributes significantly to New York's economy in three major ways:

- 1) **Helping Students to Succeed:** A major focus of BOCES is to provide high-quality job training for our students through our Career Technical Education (CTE) programs. CTE Programs helps students to graduate from high school, while obtaining the skills they require to go onto to college and/or obtain stable and long-term employment.

The data on BOCES CTE programs shows that 94% of students who attend BOCES' CTE programs graduate, which is significantly higher than the statewide graduation rate of 78%. Of those who graduate, 54% go on to college and another 30% go directly into the workforce.

- 2) **Helping Businesses to Succeed:** In the 2015-16 school year, nearly 36,000 students participated in BOCES' CTE programs. Of these students, almost 10,000 participated in CTE programs that provided direct skills tied to the local Regional Economic Development Councils designated priorities. It is important to note that BOCES CTE programs are designed in collaboration with businesses to ensure that students receive the skills necessary to succeed.

BOCES also collaborates 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.

- 3) **Helping to Provide Adult Learners with Necessary Skills to Succeed:** BOCES also provides workforce development programs for adults to help them obtain new skills they require to return to the workforce and/or find stable employment. In 2015-

16, more than 63,000 adults participated in BOCES' adult education programs throughout the State.

With this mission in mind, I would like to highlight aspects of Governor's proposed 2017-18 budget and underscore several important items that should be considered for inclusion.

Aid to Education:

The Governor's proposed budget provides \$378 million in direct school aid with an additional \$50 million set aside for Community Schools. This amount is significantly less than what is required by districts. Given a property tax cap of slightly over 1%, without additional aid, it will be extremely difficult for many school districts to meet the educational mandates and requirements placed upon them.

➤ **Recommendation:**

School districts require an increase in direct school aid for the 2017-18 school year.

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

The BOCES of New York 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 and CDOS based pathways. 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 dates to 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 taxpayers. We recommend that 100% of a BOCES CTE instructor's salary be "aidable". We further recommend that the formula include those BOCES instructors who teach in P-Tech programs and STEM high schools.

Authorize the BOCES Capital Exemption from the Tax Levy Cap

In the spring of 2015, the Office of Taxation and Finance was directed to develop language to include BOCES under the same capital exemption from the Tax Levy Cap that school districts have. This language has yet to be developed. The failure to do this in a timely manner has unnecessarily cost school districts financial resources. In addition, the lack of resolution to this issue has directly jeopardized much-needed upgrades to BOCES facilities. These upgrades are necessary to support cutting edge Career and Technical Education (CTE) programs as well as to provide appropriate facilities for students that are unable to be served in a traditional public school.

➤ **Recommendation:**

This issue requires an immediate legislative solution. To this end, we recommend that language be included in the budget that clarifies in statute that BOCES capital should be treated like school district capital, outside the tax cap.

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 that authorizes the establishment of other post-employment benefits trusts.

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