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RUST, REVITALIZE OR REVOLT?

RURAL SCHOOLS ASSOCIATION OF NEW YORK STATE



**Testimony Before the
Joint Legislative Budget Hearing
on
Elementary and Secondary Education**

**February 14, 2017
Hearing Room B
Legislative Office Building
Albany, New York**

Dear State Leaders:

Your rural schools are grateful for the restoration of Gap Elimination Adjustment funding. We recognize that the effort forced you to forestall increases in other important areas of state spending. You have made public education a priority and we truly appreciate your support. There are those that would retrench from that progress this coming year. The Executive Budget would not only have detrimental consequences to the education of our state's children, it would establish harmful, far reaching precedents. All schools would suffer, but none more than our rural schools. Here's why:

Generally speaking, New York State

1. Provides after school programs and other out of classroom learning opportunities for its students... but not for rural children.
2. Provides preschool and its learning advantages... but not for rural children.
3. Provides a broad curriculum that allows students to be competitive in college and in the workplace... but not for rural children.
4. Provides Community Schools and support services like adequate guidance, psychologists, internships, extracurricular activity transportation and broadband access to support digital learning...but not for rural children.
5. Provides sufficient certified teachers in all subject areas, ensuring high quality educational programming...but not for rural children.
6. Assesses the ability of a community to contribute to the education of its children and then provides sufficient aid to ensure a sound, basic education for every student...but not for rural children.

The list goes on.

Generally speaking, New York State's rural schools

1. Raise virtually no local revenue under the tax levy cap. They have little local tax base and the cap percentage is too low to allow local revenue to sustain the educational needs of children. Rural residents couldn't afford significant increases even if their schools were allowed a higher levy increase.
2. Can't provide the education their children require. As a result of last year's local tax freeze and this year's 1% increase, as well as the need for the state to use most of the remaining GEA restoration to make high wealth districts whole, our rural schools have not recovered from years of lost aid. Consequently, while their graduation rates are admirably high, the education they are able to provide does not ensure that their students are competitive in either college or the workplace.

3. Are masters of innovation. Using shared services in higher percentages than any other entity anywhere, our rural schools lead our state in overcoming severe fiscal constraints by partnering with neighboring districts, BOCES, local businesses and community colleges in an attempt to combat severe underfunding. Even when applying this skill so broadly, our rural schools struggle. We cannot expect them to do even more of this to get by.
4. Are embroiled in a volatile social environment. Higher unemployment, loss of tax base and population, lack of local health care facilities, the impact of the opioid epidemic, unmet mental health and other social needs all combine to make rural residents in general and rural students in particular feel isolated and abandoned by their state and federal governments. They want to grow up and remain in their home communities, but they are being forced out in record numbers. The recent national election illustrated the tremendous frustration felt in rural communities. Rural New York was once able to bail out its metropolitan sisters. Now it cannot sustain itself and is looking for the same kind of assistance previously provided to other New Yorkers in similarly dire need.

WHAT WOULD HELP?

SUFFICIENT STATE AID: For rural schools to begin to gain ground in meeting the educational needs of its children, the state needs to provide an additional \$2 billion in aid to public education, focusing on districts with high rates of students in poverty, high numbers of English Language Learners and narrow curricula that do not provide a competitive education. After setting aside reimbursable aids that largely go to high wealth districts that can afford to expend funds, paying for existing and necessary programs and services, setting aside hundreds of millions for specific new state initiatives and dividing state aid by regional "shares", there has traditionally been little ability to address the severe and unique needs of our rural schools. This practice cannot continue if New York State is to sustain itself economically, socially or politically.

A LEGITIMATE FORMULA: In addition to a sufficient allocation of state aid, this year's State Budget must include a new, transparent, sustainable, predictable, but most critically, workable Foundation Aid Formula. New York State has done everything with its Foundation Aid Formula except to legitimately use it. We can no longer afford to freeze, ignore, cut or bastardize this formula. It must be updated to recognize changes in community and student poverty, increases in student needs such as language, transience, health and substance abuse issues. In short, it must accurately gauge a community's ability to contribute to the education of its children and then provide the remainder of aid needed to support the education of those children.

A WORKABLE TAX CAP: The so called 2% tax cap is anything but. The rate of consumer inflation bears no relation to school district expenditures and is an inappropriate fiscal constraint. For instance, consumers certainly don't make double digit contributions to health care or near double digit increases to a state mandated retirement system. Last year the legislature recognized the need to make corrections to the cap for BOCES capital construction and PILOT payment adjustments. However, the Division of the Budget has not yet authorized these common sense revisions. Rather than simply providing regulatory authority, the legislature should now require it in law.

RELIEF AND RESERVES: There can be little argument that our state spends an extraordinary amount on public education. Continuing to fund the cost of our current methods without making common sense changes will result in fiscal catastrophe. The limit on local school revenue was to have come with promised "mandate relief" to allow greater ability for schools to cope with fiscal stress in ways other than simply laying off educators. With the exception of a new retirement tier, that relief has never arrived, leaving our schools no choice but to cut programs and services to children. Similarly, school districts must be given the same authority as other municipalities to keep and use reserve funds. Under the "tax cap", the old concern that districts would raise taxes to hoard reserve funds is laughable. Local governments that keep reserve levels equaling the maximum rate allowed for school districts are declared to be in fiscal distress. Each year schools endure the sad contradiction of auditors declaring their reserves to be too low for safe and efficient operation, while the State Comptroller declares that their reserves are above legal limits. Schools must be held to the same "reasonableness" standard as municipal governments, varying according to the size of the district. At the very least, retirement system reserves for teaching staff must be made to match those of all other state and local municipal employees. Taxpayers deserve these reforms to ensure that school tax increases do not fluctuate dramatically from year to year.

HELPFUL EXECUTIVE BUDGET PROPOSALS:

Community Schools: A wonderful program-truly game changing if done on a large scale in rural districts. When the funds "set aside" to do Community Schools come from the education aid total, it gives the appearance of detracting from the basic aid all schools need. The solution is to increase Foundation Aid and then use Community Schools to open a whole new world for students in rural areas.

Prekindergarten: This is the most disappointing aspect of the Executive Budget. Pre-school is the answer to the cognitive learning deficiencies experienced by so many of our students living in poverty. A \$5 million increase statewide is less than an inflationary increase for existing programs. Pre-school must be expanded, transportation

aid for pre-school must be included if New York State is to thrive: Pure and simple. This amount indicates that the governor needs to be made aware of the life changing nature of pre-school educational outcomes for high need students.

Advanced Placement Test Assistance. The Executive Budget provides \$2 million to fund AP exam costs for 68,000 low-income students. This funding will provide further access to advanced coursework for low-income students, and will promote educational equity across the State. Rural schools say "well done"!

Prevent Cyberbullying Initiative. The Executive Budget invests \$300,000 to combat and prevent cyberbullying and other forms of online harassment. Given the massive psychological implications that regularly highlight suicide and lifelong self-esteem issues, this is a start to a much needed program.

WHAT WOULD HURT?

CONTINGENT BUDGET REDUCING AUTHORITY:

Nothing is as disruptive or damaging to a child's education as a midyear budget cut. The midyear education aid cuts of the early 1990s bitterly proved that point. If and when catastrophic reductions in federal aid to New York State were to materialize, it is the shared responsibility of the executive and legislative branches to determine how best to respond. Unilateral cuts by the Division of the Budget (without regard to educational impact or disproportionate application) would be devastating to our state's rural schools (due to their dependence on this aid.) Many rural schools might well be unable to meet even state minimum course requirements. School aid must be exempted from such authority.

REPEAL OF THE FOUNDATION AID FORMULA: The Executive Budget proposes eliminating statutory language codifying the Foundation Aid Formula for school aid. While the state has not seen fit to follow the formula for several years, the existence of a law sets the requirements of state aid and drives state spending toward aid sufficient to meet educational needs. Simply declaring that expectation void, with the intention of negotiating whatever future leaders might deem fit is a dramatic step backward in the equitable and sufficient funding of our state's public schools. Further, the role of the legislature is undermined in this process, as the power provided to the Executive in our state's budgeting process is unprecedented. To further expand it at the expense of legislative influence is to remove the people's representatives (and thus, their familiarity with community need) from that budgeting process. Any semblance of transparency or predictability would be lost and a traditionally inequitable method of distribution would be institutionalized.

HUMAN RIGHTS OVERSIGHT TAKEN FROM SCHOOLS:

Currently students are protected under the Dignity for All Students Act, the Americans with Disabilities Act, IDEA and the federal Office of Civil Rights. Nonetheless, the Executive Budget seeks to strip authority for dealing with civil rights violations among students from schools and give it to the state's Division of Human Rights. This is a tired, perennial proposal that adds little to student protection and further inserts the Executive into educational issues, in contravention of state constitutional intent. The proposal would also subject schools (and thus, taxpayers) to additional monetary damages as DHR has a regulatory approach of assessing damages, rather than rectifying violations, keeping the needs of all children at the forefront.

STATE EDUCATION DEPARTMENT INSPECTOR GENERAL:

The Executive Budget would establish a new Inspector General to oversee and investigate allegations of corruption, fraud, criminal activity, conflicts of interest, or abuse within the State Education Department. The state constitution separates the Department of Education from the Executive Branch with good reason. The Executive Branch already uses its budgeting power and ability to hold up appointments to exert pressure on SED. It is inaccurate to say that SED is not overseen by an investigative entity. They are subject to state audit, as well as investigation by the State Attorney General. Instances of such abuse within SED are nonexistent, eliminating the rationale for creating another state oversight agency specifically for SED. This new bureaucratic layer is duplicative and unnecessary.



ANOTHER YEAR OF FAILURE

The great failing of the Executive Budget is the fact that we now have yet another state spending plan that fails to provide the leadership of restarting a workable, equitable and realistic state aid formula for our schools. A lot has happened since we last had a working formula. The courts ordered lots of money pumped into it. The economy tanked and most communities lost a percentage of their local tax base. Lots of rural schools in particular, have lost enrollment (many of them in dramatic fashion.) We need a formula that accurately reflects the amount a community can afford to contribute and base state aid on that amount; not on what it used to get, not on how politically important the community is or isn't, but on the difference between what a community can pay and what the court has said constitutes a sound basic education for children. Its tough work, but New York State has smart and dedicated leaders. It's time to do that tough work.

Taken in total, the Executive Budget is a reasoned and reasonable starting point for serious deliberations. While it is seriously "light" in its state aid allocation, Executive Budgets are always light in their state aid allocations. Rural school districts make up nearly half of all districts in the state. How they fare in the state budgeting process will largely be up to the willingness of its state representatives to speak up for their (increasingly frustrated) constituents. On behalf of those districts, the job of the Rural Schools Association will be to provide you the information you need to assess the ramifications of proposals, reactions and compromises. We stand with you in the effort to address serious issues affecting public education. Only legislative action can avert a return to cuts in programs and services. Thank you for your kind assistance in this vital effort.

Respectfully submitted,

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