



**Testimony of the Washington Saratoga Warren Hamilton Essex (WSWHE) BOCES
and its 31 Component School Districts**

Joint Budget Hearings on Lower Education

Submitted by Dr. Douglas Huntley, Superintendent of the Queensbury Union Free School District &
Andrew Cook, Superintendent of the Hartford Central School District

James P. Dexter, District Superintendent
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Good morning Chairpersons Young, Marcellino, Farrell and Nolan, and other members of the Senate and Assembly. Our names are Dr. Douglas Huntley, Superintendent of the Queensbury Union Free School District and Mr. Andrew Cook, Superintendent of the Hartford Central School District. We are here on behalf of our thirty one school district Superintendents in the WWSHE Supervisory District and our District Superintendent, Mr. James Dexter. We are here today to provide some insights about how the Governor's proposed 2017-18 Executive budget will impact the 31 component districts that comprise the WSWHE BOCES, the staff who work at our schools, as well the 40,000 students who attend our schools.

Before beginning however, I would like to extend to you and all Members of the Legislature - (Senate and Assembly) our very sincere thanks for all you did to ensure that the GEA was eliminated in the final enacted 2016-17 budget. As you may recall, many of our 31 districts were owed funding, and in some cases significant funding, that had been held back due to the GEA. Eliminating the GEA allowed our districts to receive the funding for which they were entitled. This funding has helped our districts target critical resources toward our students and increasing costs, for which we are again very grateful.

Unfortunately, as I will describe later, the Governor's proposed 2017-18 budget will, if not changed, curtail the progress districts have made over the past several years based on both the very low level of funding the Governor's 2017-18 budget would provide as well as some of the statutory changes that are included.

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 40,000 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 district's 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 needs our students face and the resources that districts require in order to address these needs. The 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.



- These districts are also 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 much higher.
- We also have several districts that appear wealthier because they have a high CWR, due to the presence of expensive lake-front 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 these districts.

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

Aid to Education:

The Governor’s proposed 2017-18 budget only includes \$428 million for Foundation Aid which is inadequate funding to support our schools and more importantly our students. The Governor’s budget also includes \$50 million in community school funding as a Foundation Aid set aside. This set aside further reduces an already small pot of Foundation Aid funding to \$378 million. 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 in our districts. Because many of our districts are classified as “average need” despite the growing and significant needs our students face, they continue to be disproportionately hit by the Foundation Aid formula. The Governor’s proposed 2017-18 budget is no exception.

In addition, the Governor’s 2017-18 budget, would if enacted, eliminate the statutory construct upon which the Foundation Aid formula was created in 2007 - a funding formula which ensures a “sound basic education” for all students and one which is predictable and transparent on a multi-year basis.

While the Governor’s proposed 2017-18 budget raises serious concerns, there are several positive components that include:

- Eliminating the .65 floor for the Income Wealth Index (IWI);
- Maintaining the SAVE HARMLESS provision, so important to districts in our region.
- Providing for a minimum foundation amount in the formula.
- Updating the data upon which poverty is based from the current system which relies on very old data from the 2000 census to a more widely accepted method which uses the “Small Area Income and Poverty Estimate” (SAIPE).



Based on these factors, we recommend the following:

A. Fund and Adjust the Foundation Aid Formula:

As indicated, 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:

Recommendations:

- Adequately fund the Foundation Aid formula;
- As part of this process, review and update the amount upon which the formula is built - the Foundation Amount which reflects the amount to “educate a student”. The current amount which is \$6395 per student is low and outdated and should be updated with an amount that more accurately reflects the true cost to educate a student in 2017;
- Maintain the current statutory language of the Foundation Aid formula that the Governor’s budget proposal eliminates;
- Maintain the Governor’s recommendation to lower the IWI to zero; and
- Maintain the changes the Governor’s proposed 2017-18 budget includes regarding how student poverty is calculated and quantified.

B. Maintain building Aid Calculations:

When a school district undertakes a major capital project, the work is financed up front by borrowing. The repayment plan for those bonds is calculated, and an interest rate is set. The state then calculates the amount of building aid based on the interest rate. A law enacted in 2001 requires the State Education Department to reset the interest rate at least once every 10 years. In the event the interest rate is lower, the district receives less building aid even though they still owe the higher amount. To avoid imposing significantly more costs on school districts, the Legislature has postponed full implementation of the interest rate reset.

Recommendation:

- Eliminate, or at a minimum postpone, the requirement that the interest rate must be reset.

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

Career and Technical Education 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 \$65,000.



To address this problem, it is recommended that:

Recommendation:

- Provide 100% aid for the salaries of CTE instructors.

In closing, we urge the Legislature to implement these recommendations as part of the 2017-18 budget process to ensure that all districts have the resources they require to ensure our students have the programs and opportunities they require to graduate and enter college or the workforce with the skills that are needed. 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.

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