

TESTIMONY PREPARED FOR NYS WAYS AND MEANS COMMITTEE

EDUCATION HEARING FEBRUARY 3, 2015

FROM: BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

Assemblyman Farrell, Senator DeFrancisco and other members of the committee:

My name is John Blowers and I am the Vice President and Finance Chair for the Board of Education at Burnt Hills Ballston Lake, an upstate suburban school district with enrollment of 3,100 students. Thank you for this opportunity to share a bit about our district and the fiscal realities we are operating within.

In 1915 Burnt Hills became the first consolidated school district in New York State. During the past 100 years, Burnt Hills has become a destination district for families and educators alike. We are a high performing district as evidenced by our 96% graduation rate. 96% of our graduates receive a Regents diploma or better and 91% of our graduates pursue higher education. We are in the top 5% of 455 upstate districts and have hundreds of other student achievements; too numerous to list here.

Yet these accomplishments are achieved with fiscal prudence and strong oversight. According to the Office of the State Comptroller, Burnt Hills is ranked 67th out of 89 schools in New York's capital region when comparing instructional costs per pupil. Our district has undergone numerous financial audits and our business office is ranked among the top 5% in the state. Our sports program has been recognized as a Scholar-Athlete School of Distinction for 4 consecutive years (all 27 varsity teams with a GPA or 90+) – the only Suburban Council district to receive this award more than once. Yet our budget for athletics is less than half the average for surrounding school districts.

The district has a strong record of taking its fiduciary responsibility seriously. The three budget years leading up to the legislature enacting the tax cap law in June, 2011, our voters approved budgets with tax increases of 2.7%, 2.4% and 2.2%. Since the tax cap law our voters have approved budgets with tax increases of 2.4%, 2.5% and 1.9%. We have had our own tax cap and circuit breaker in place for decades by engaging our community in thoughtful discourse to appropriately prioritize education within the context of the greater framework of family budgets.

The district cost structure has been held down by participating in consortia for a variety of services such as health insurance, utilities and supplies. We recently entered into an agreement with neighboring districts to reduce our transportation costs by more than \$100,000 annually. Our fiscal prudence has been rewarded with the highest bond ratings available to a school district, which reduces our debt payment schedule.

Members of the committee: The sustainability of this high achieving district is at risk.

Over the past few decades the burden of funding education has shifted from state government to the local taxpayer in unprecedented proportions. In 1970, 68% of our budget was composed of state aid. Last year this dropped to 33% and the outlook for next year is lower still. Unfunded mandates continue to strain already depleted resources. Outdated legislation continues to hinder efforts at the district level to respond to more contemporary challenges.

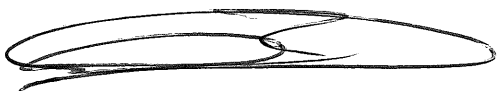
Despite our internal governance efforts, there are a number of items within your committee's control which makes operating our district very difficult. The top three are:

1. **Reduce the Gap Elimination Adjustment** This draconian action, taken in 2009, has had a powerfully negative impact on education delivery in Burnt Hills. Cumulatively, this has cost our district more than \$10 million. The state now has a surplus; therefore the gap has been eliminated. It's time to eliminate this adjustment.
2. **Release the State Aid Runs** It is unprecedented for the state to withhold the release of executive budget aid runs. These aid runs are critical for school districts to responsibly develop a budget or adequately involve the community in the process. In addition, without these runs it is impossible to formulate a tax cap calculation which is required by state law on or before March 1st.
3. **Mandate Relief** In April of 2009, executive order #17 was issued to evaluate costs of mandates on local governments and report findings by December of 2009. On March 4, 2011 the "Mandate Relief Redesign Team" issued their preliminary report. It is now 2015. It is time to revisit and implement the recommendations within this report. As a reminder they are:

- a. **Prohibit New Unfunded Mandates** – start this NOW...with the next piece of legislation to cross your desk and every one thereafter.
- b. **Require Independent Cost Analysis of Mandates** – too often the emotions connected with new legislation are not analytically researched, resulting in unfunded mandates.
- c. **Create a New Pension Tier** (implemented April, 2012)
- d. **Avoid the Wicks Requirement by Removing Barriers to Project Labor Agreements** – this outdated legislation has increased construction projects at school districts by 15% with no discernible value to the districts. The voters of many districts have recently passed bond referendums to make repairs and improvements to our schools. At Burnt Hills, we are in the midst of bidding \$34M worth of projects. Immediately implementing the Wicks exemption would allow us to complete more than \$4M of additional work...at no cost to the government or our taxpayers.
- e. **Give Local Governments Greater Flexibility to Administer Existing Mandates** – more work is needed to allow/incent partnerships to create mutually beneficial efficiencies.
- f. **Require a Full Agency Review of State Mandates** – a fully-factored roster of mandates impacting school districts would be staggering to document and analyze. Burnt Hills stands at the ready to help lead this effort with the appropriate agencies/entities.
- g. **Create a Clearinghouse to Continue Addressing Existing Mandates** – as the March, 2011 report indicates “it has taken decades to get to this crisis point”, let’s not overwhelm the ongoing nature of getting out of this mess.

Thank you for taking the time to review this information and incorporate into your thought process.

Regards,



John Blowers 518*469*7306

