

TESTIMONY OF THE BOCES EDUCATIONAL CONSORTIUM

Joint Budget Hearings on Lower Education

Submitted by Lynda Quick

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Good morning Chairpersons Young, Weinstein, Marcellino and Nolan and other Members of the Senate and Assembly. My name is Lynda Quick and I am the District Superintendent of the Cattaraugus-Allegany-Erie-Wyoming 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 2018-19 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." The BOCES Educational Consortium is the organization comprising all 37 BOCES from around the State.

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. On any given school day, over 100,000 students are participating in BOCES' programs throughout 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 and 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. BOCES CTE programs help students to achieve academically while providing them with the skills necessary to compete in a global economy. BOCES also provide numerous programs for adult learners to help them obtain critical literacy and job readiness skill. In short, BOCES plays a critical role in helping to create a skilled workforce that contributes significantly to New York's economy.

In addition, 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.

With this mission in mind, I would like to highlight several important aspects of the Governor's proposed 2018-19 budget but also underscore several important initiatives that are not included in the budget that should be considered for inclusion.

I. Increase Aid to Education:

The Governor's proposed 2018-19 budget provides \$26.36 billion in school aid; an increase of \$769 million. Of this amount, \$338 million is an increase over last year's enacted budget for Foundation Aid. Included within the Foundation Aid number is \$50 million for Community Schools which further reduces the Foundation Aid number to \$288 million. This amount is significantly less than what is needed by districts.

Recommendation:

- School Aid should be increased by a minimum of \$1.5 billion over last year's number. This is the amount of funding required statewide to ensure districts have the resources they require to meet the needs of their students and cover increased costs.

II. Eliminate the Provision Which Caps Expense Aids:

The Governor's proposed 2018-19 budget would, if enacted, cap expense aids at 2 % over the base year. These are expenses that districts incur for the delivery of essential programs and services and for which they are reimbursed.

Capping these expenditures at 2% growth will create significant constraints for school districts, make it difficult for them to provide legally required programs and adversely impact their ability to serve students. It will also further reduce the amount of aid that districts will receive. It is important to note that this change, if enacted, will undermine the purpose for which BOCES was created-to help districts provide students with essential services in a cost effective manner through inter-district collaborations operated by BOCES.

Recommendation:

- This proposal should be rejected by the Legislature.

III. Increase the Aidable Salary for Career and Technical Education (CTE) Programs:

BOCES are a major provider of high-quality, cost effective career and technical education (CTE) programs. In 2016-17 school year, more than 37,000 students participated in CTE programs and obtained essential college and career skills.

Despite the success of these programs, the existing CTE BOCES Aid formula which was established in 1990, only provides aid for \$30,000 of a BOCES CTE instructor's salary even though the average salary is now \$65,000. Because of this, the state's contribution to Career and Technical Education programs continues to decrease, shifting the costs to the local tax payers.

Recommendations:

- The aidable salary for CTE instructors should be increased to the average statewide salary or \$65,000.
- The increased aidable salary should include those BOCES teacher's who teach in P-Tech programs and STEM high schools.

IV. Continue to support the BOCES Capital Exemption from the Tax Levy Cap:

As indicated, on any school day over 100,000 students are participating in BOCES programs in one of 600 buildings owned and/or operated by BOCES. Important capital upgrades and improvements are needed for many of these buildings. However, because BOCES capital is under the tax cap, critical projects are being delayed or stopped from moving forward.

In an attempt to address this very serious problem, language was included in the 2015-16 enacted budget directing the Office of Taxation and Finance was directed to promulgated regulations to exclude BOCES capital expenditures from the tax cap in the same manner as school districts' capital expenditures. Unfortunately, these regulations have never been developed.

In 2017, the Legislature passed legislation that was vetoed by the Governor that would have, if enacted, treated BOCES capital in the same manner as school district capital-outside the tax cap. The failure to address this significant problem in a timely manner is jeopardizing important capital BOCES projects, and limit BOCES ability to serve high needs special education students and CTE students.

Recommendation:

- A statutory change should be enacted that authorizes BOCES capital to be treated in the same manner as school district capital and placed outside the tax cap.

V. Eliminate the Provision That Changes the Way Summer School Special Education is Reimbursed:

Under current law, all districts providing Summer School Special Education are reimbursed 80 percent for eligible expenditures. The Governor's 2018-19 budget proposes to change the reimbursement methodology for Summer School Special Education by imposing a wealth-equalized aid ratio. This will result in further aid reductions for many of our districts.

Recommendation:

- This proposed change should be rejected.

VI. Authorize Non-component School Districts to participate in Recovery High School programs Operated by BOCES:

The Governor's proposed 2018-19 budget would authorize BOCES to enter into a Memorandum of Understanding (MOU) with a non-component school district, including the Big Five City School Districts, to participate in a recovery high school program operated by BOCES. These Recovery High Schools provide students diagnosed with a substance use problem to receive education and support services to assist in their recovery. BOCES is already authorized to operate Recovery High Schools with their component districts.

Recommendation:

- Authorize BOCES to work with non-component school districts in Recovery High School Programs.

VII. 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.

In closing, we believe that now is the time for the Governor and the Legislature to expand the role of BOCES and 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.