



## **TESTIMONY OF THE BOCES EDUCATIONAL CONSORTIUM**

Joint Budget Hearings on Lower Education

Submitted by Dan White-District Superintendent of Monroe 1 BOCES  
and Chris Todd, District Superintendent, CITI BOCES  
on behalf of the BOCES Educational Consortium

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Good morning Chairpersons Krueger, Weinstein, Mayer and Benedetto and other Members of the Senate and Assembly. We are here on behalf of the BOCES Educational Consortium-the entity representing the 37 Boards of Cooperative Educational Services (BOCES) of New York State. Thank you for allowing us the opportunity to provide some important information about the current state of New York's education system as well as how the proposed 2020-21 Executive Budget Proposal will impact the State's 37 BOCES, and the over 700 school districts the BOCES of New York State serve.

### **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, is 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, all districts but 4 are components of BOCES. It is important to note, however, the BOCES collaborate with many of the Big 5 districts to serve students. Over 100,000 students participate in BOCES' programs on a daily basis throughout the State. The mission of BOCES is to prepare a diverse student population for roles in the global economy and to provide services and 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 70 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 efficiently provide.

The BOCES of NY State played a significant role in coordinating school districts' responses to the COVID-19 Pandemic. Specifically:

- Assistance in the development of school districts' pandemic re-opening plans;
- Coordination with school districts and local departments of health with the deployment of rapid COVID-19 testing in schools;
- Deployment of technology to school districts, staff and students and families;
- Professional development to school staff on remote instruction;
- Assistance with the logistics of school budget votes and school board elections;

➤ **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 skills. 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 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.

With this mission in mind, we would like to highlight several reactions to aspects of the Executive's proposed 2021-22 budget, and the BEC's proposals for adjustment.

**Ensure Equitable Aid to School Districts:**

This year's Executive budget proposal includes approximately \$26.7 billion in traditional school aid, an increase in State support of just over \$848 million over 2020-21. This represents flat foundation aid; as well as restoration of the \$1.1 billion pandemic adjustment that was included in the 2020-21 enacted budget.

The state school aid proposal was enhanced by the appropriation of more than \$3.8 billion in COVID-19 supplemental stimulus funds. These funds would be used to back fill the \$1.4 billion in cuts to state funding, as well as providing COVID-19 supplemental stimulus dollars.

While districts have experienced many costs related to COVID-19, and very much welcome an infusion of funds, they need to balance the needs of today against those they can already forecast for next year. Escalating cost drivers including pensions, health insurance and salary increases will continue to grow. It is anticipated that there will be significant remediation needs for many students, especially our special education students, who despite best efforts have lost ground during prolonged periods of remote instruction. While we all hope there will be additional federal aid, schools need to be prepared for the reality that there may not be.

To that end, districts need the flexibility to retain a portion of the federal stimulus dollars they are allocated to help level off funding on the next budget cycle. Absent authority for an increase in undesignated fund balance or some other mechanism for multi-year budgeting and planning, districts and their students could be left with significant budget gaps.

Recommendations:

- Ensure that funding increases and reductions in state funding are distributed equitably, in a manner that considers student need as well as district ability to pay.
- Provide districts with the authority needed to flexibly budget their COVID -19 supplemental aid in the 2021-22 and 2022-23 school year.

### **Eliminate the Proposal to Consolidate Expense-Based Aids:**

The Executive proposal, if enacted, would consolidate eleven (11) major expense-based aids (BOCES, Transportation High Tax, Special Services, Hardware and Technology, Charter School Transitional, Software, Library, Textbook, Supplemental Public Excess Cost and Academic Enhancement), beginning in SY 2021-22 school year. Moving forward, these currently separate aid categories would be a single category called “service aid.” The Executive proposal would provide \$3.3 billion in service aid for the 2021-22 school year. This representing a reduction of \$393 million, a reduction of more than 10% compared to last year.

These eleven aid categories reimburse expenses that districts incur for the delivery of essential programs and services. Overall, these aid streams are progressive, providing the highest aid ratios to those districts with the greatest need.

These aid streams are also the most predictable of the aid streams districts receive from the state. Because they are generally paid to districts as reimbursement for expenses incurred in the prior year, districts can closely predict their allocation. They are then able to use that information to inform their local budgets and tax levies.

Of particular concern is the elimination dedicated of BOCES aid. Absorbing this aid stream into a block grant style funding stream like the proposed “services aid” would undermine the very

reasons for the creation of BOCES: to allow districts to work cooperatively to provide students and schools with essential programs and services while creating efficiencies and equity of access.

**Recommendation:**

- This proposal should be rejected by the Legislature, and the eleven, current law formulas should be maintained in their current form.
- When included in the final, adopted budget, the relief aid streams should be fully funded, using the February database.

**Allow Districts with 51-100 members to remain in their Health Insurance Consortiums:**

School districts and BOCES participate in health insurance consortiums as an effective way to reduce the significant costs associated with providing health insurance for their employees. In 2015, New York State changed the definition of “small group” for purposes of health insurance coverage, leaving over 100 school districts at risk of being required to leave their health insurance consortiums. Because this change would have subjected districts to very significant cost increases, since 2015 there have been several laws enacted that allow these districts to remain in their health insurance consortiums. Not only those districts who would need to leave the consortia would feel the impact if this change was allowed to go through. Those districts left in much smaller consortia would have less purchasing power and also be at risk of significant cost increases.

These protections are scheduled to expire again in December of 2022. Changes to health insurance coverage cannot be implemented unilaterally. Any changes would have to be negotiated and budgeted for in advance.

To avoid dramatic cost increases, and to avoid this annual risk to coverage a longer term solution must be enacted.

**Recommendation:**

- School districts with 51-100 members need to remain in their health insurance consortiums.

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.