



**Testimony of the Washington-Saratoga-Warren-Hamilton-Essex (WSWHE) BOCES
and its 31 Component School Districts
Joint Budget Hearings on Lower Education
Submitted by Andrew Cook, Superintendent of the Hartford Central School District
January 28, 2021**

Good afternoon Chairpersons Krueger, Weinstein, Mayer and Benedetto, as well as other members of the Senate and Assembly. I am Andrew Cook, Superintendent of the Hartford Central School District and chair of the WSWHE Chief School Officers' Advocacy Committee. I am here on behalf of the thirty-one (31) school district superintendents in the WSWHE Supervisory District and our BOCES District Superintendent, Mr. James Dexter.

We are here today to provide some insights about how the Governor's proposed 2020-21 Executive Budget would, if enacted, impact the 31 component districts that comprise the WSWHE BOCES, the staff who work at our schools, as well the 37,000 students who attend our schools.

We would again, like to extend to you and all members of the legislature, Senate and Assembly, our very sincere thanks for all you do to support our students, staff and districts. Our districts, like many from around the state, are serving students facing increasing challenges. The number of students living in poverty, who are homeless, who are English language learners and have special education needs continues to increase each year across the region.

All of this was true a year ago, before the unprecedented challenges presented by the COVID-19 pandemic. Now, our schools are grappling with new and even greater challenges. We are facing the financial and logistical challenges of keeping our students and staff safe and healthy, while also making sure they have access to the education they are entitled to. We are doing this despite the uncertainty that comes with the withholding of some state aid, the risk of mid-year cuts and an unclear financial future.

As you begin your own review of the Executive Budget proposal we again ask for your support to ensure that our districts and through them, our students, have the supports they need in the final 2021-22 state budget.

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 37,000 students.

This is a critical time for all of the 31 school districts that comprise the WSWHE BOCES as they continue to ensure that our students are provided all the programs and opportunities they require to meet the needs of a 21st century economy; while attempting to manage the challenges of COVID-19.



At the same time, the 31 districts face constraints that are related, in part, to our districts’ limitations on 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 significant needs of our students and the resources that our districts require in order to address these needs.

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.
- Although most of the districts are considered of “average” wealth, many have a high percentage of students with special needs: they are living in poverty, in foster care, or are homeless.
- In many of our districts more than 50% of the students qualify for the Free and Reduced Lunch Program (FRLP), with some districts having significantly higher eligibility rates.
- Several districts have a high combined-wealth ratio (CWR) due to the presence of expensive lakefront property located within their district boundaries despite the number of residents who are full time residents of low-income.

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

Fund the Foundation Aid Formula to the Greatest Extent Possible

It is challenging to accurately determine the exact implications of the foundation aid proposal on individual districts or districts as a whole. That is because of a number of factors, including the fact that state support was adjusted through a “local district funding adjustment,” the inclusion of STAR as a part of the state’s support for schools and changes to expense-based aids, which will be discussed later in my testimony.

Our district leaders are aware of the financial challenges facing the state. We understand that even with the recent infusion of federal support that more is needed. But our districts have felt the financial strain of COVID-19 as well. Our community and taxpayers have borne that strain; even if the property tax cap did not limit the ability to generate local funds, our taxpayers are not prepared to take on that burden. Our school districts need state support to ensure that our students get what they need. To that end, we ask that you consider the following recommendations:

- Ensure that school aid distribution is equitable, considering district ability to pay and student need; and
- Fund the Foundation Aid formula to the greatest extent possible.



Reject the Executive’s Proposal to Consolidate Expense Based Aids

The Executive Budget proposal would consolidate eleven aid categories into a single funding stream. The proposal would be appropriated at \$3.3 billion, representing a reduction of \$393 million (10.5%) compared to the final 2020-21 enacted state budget.

Services Aid would consolidate and reduce the following individual aid streams:

- BOCES Aid
- Transportation Aid, including Summer
- Textbook Aid
- Computer Software Aid
- Library Materials Aid
- Computer Hardware & Technology Aid
- Supplemental Public Excess Cost Aid
- Special Services Aid
- High Tax Aid
- Charter School Transitional Aid
- Academic Enhancement Aid

Despite assertions that it makes sense to consolidate these aids, because they are not progressive and it would allow additional funds to be committed to foundation aid, the facts show that the major expense-based aids are progressive. The poorest districts get the most generous aid ratios. In addition, there is no commitment or plan to shift any state cost savings achieved by this consolidation to foundation aid. Any state “savings” could be just as easily absorbed by the state’s general fund and funds to school districts and their students could be reduced.

Expense based aids are also a very predictable aid stream for districts. Because districts know exactly what to expect in the next year, based on actual expenditures, they are able to start their local budgeting process with a strong baseline. On behalf of our districts, we recommend that you reject this proposal and instead fully fund expense-based aids.

Support a Long-Term Solution to Small Group Health Insurance Protections

Prior to the adoption of the ACA, a “small group” for health insurance was defined as an employer with 1-50 employees versus 1-100 employees. During the adoption period of the ACA this was reconsidered many times and ultimately states were authorized to implement either standard. New York generally chose to adopt the 1-100 standard; but for several years, school districts have been allowed to remain in their health insurance consortium, despite having 50-100 employees. This has allowed school districts to continue to provide health insurance provided through these consortia at better rates, for better coverage. If this allowance is not extended, hundreds of school districts would be captured and as a result forced to leave their consortia.



This forced exit would result in increased costs for health insurance for the smaller districts leaving the consortium as well as the districts left in the now smaller consortium. These increased costs would likely be accompanied by lesser coverage.

Since 2015, the state has adopted a number of short term (1-2 year) carve outs that would allow these districts to remain in their consortium. However, this temporary protection is scheduled to end again in December of 2022. Given the ongoing financial strain, many districts have reduced staff through attrition, and many of those districts “on the bubble” have now dipped below 100 employees, increasing the pool of districts and employees at risk.

Decisions about employee health insurance and district budgets cannot be made without adequate time. Changes in coverage have to be negotiated with collective bargaining units, and changes in cost must either be budgeted, or other programs must be cut. To ensure that these districts can remain in their consortiums and limit the impact on employees and taxpayers, these protections should be extended during the 2021 legislative session, as a part of the 2021-22 budget.

Address Dramatic Cost Increases Related to Unemployment Insurance

Despite extraordinary efforts to keep school district employees on the payroll in 2020, districts paid significantly higher than usual amounts of unemployment payments. Because of enhancements to unemployment, even legitimate claims were more costly than they would have otherwise been. However, districts in this region are addressing a number of claims that have been proven to be or are believed to be fraudulent or improperly paid.

Due to the fiscal crisis, New York State worked extremely hard to send out unemployment checks as quickly as possible to assist those in need. However, as part of that process, many claims were paid without the prior verification by the employing district. As a result, claims that would otherwise not have been paid were released and then charged to school districts.

Proposals have been advanced to address these issues. We look forward to working with the Legislature and Department of Labor to ensure that inappropriate payments, as well as cost increases are addressed as a part of the 2021-22 enacted budget.

In closing, we urge the Legislature to consider these recommendations as part of the 2021-2022 budget process to ensure that all districts have the resources to provide our students with the programs, opportunities and skills they are entitled to, which will allow them to graduate and enter college or the workforce prepared. On behalf of the WSWHE BOCES and all the 31 school districts it comprises, we thank you for your time and consideration.

Please do not hesitate to contact me or any of my colleagues if you have any questions.