



**Central New York  
School Boards Association**

**Annual Legislative Breakfast**

**West Genesee Senior High School**

**February 7, 2009**

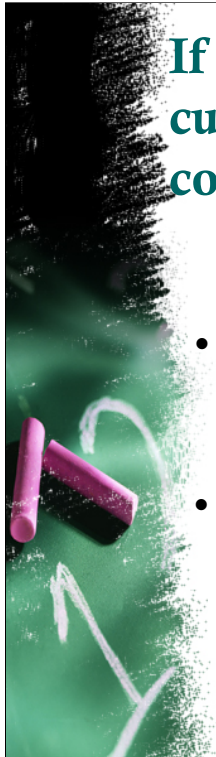
**Camillus, NY**

# Welcome

**A Special Thank You**

**To the Legislators, Board Members,  
Superintendents and all others who are  
working hard to ensure high quality  
public schools in New York State**

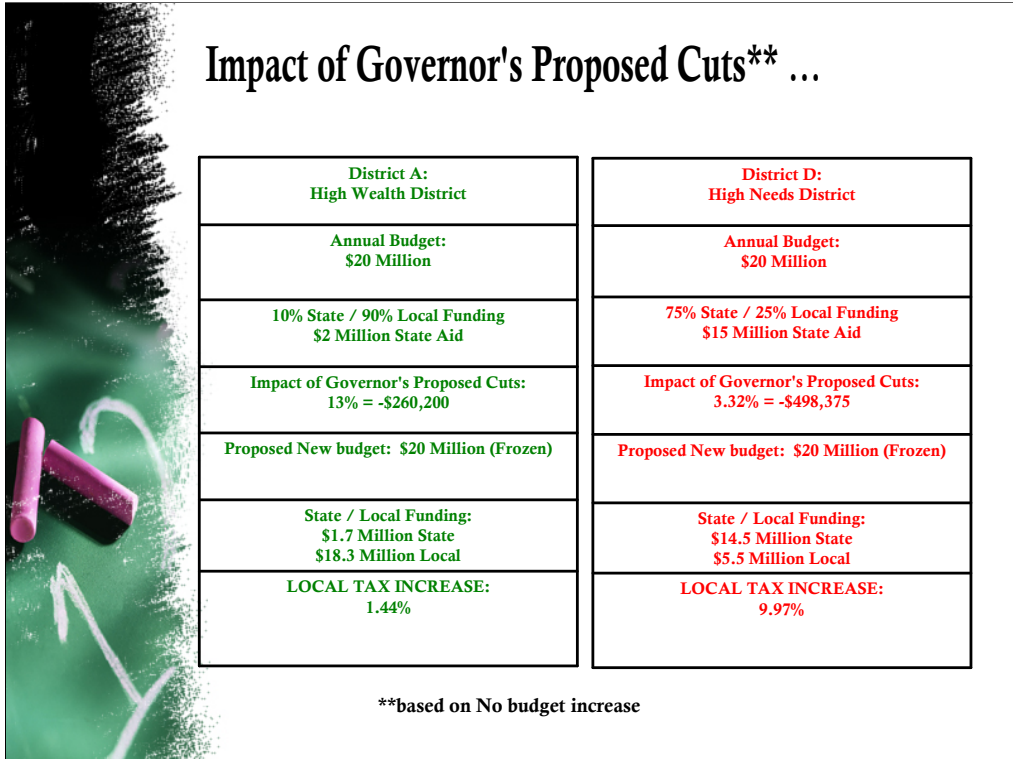




**If enacted, the Governor's proposed cuts to education will have profound consequences.**

- Programs for students will be eliminated and jobs will be cut.
- The impact will be greatest on districts that already have the least to cut.

- The Governor's proposed budget would delay the scheduled increase of \$1.3 billion in Foundation Aid for next year,
- would actually cut aid another \$1.1 billion from current levels, and
- would shift another \$133 million in Pre-K special ed costs from counties onto school districts.
- This promises to be a very challenging year.
- The \$698 million is a "net" number of the aid reduction.



School common mission, but they serve students with disparate needs. A major division between districts, and one that should be of the greatest concern to you as we face this daunting fiscal crisis, is the **fiscal capacity** of these diverse school districts.

This can be illustrated very simply.

Property and income wealth largely determine the kind of education children will experience.

The poorer districts offer more remediation. districts that are above average in wealth are able to offer an enriched education.

Poorer districts offer fewer amenities and must focus more of their efforts on remediation. Many of their students will arrive at their very first day at school unprepared to do even introductory work. Those schools' major task is in trying to bring students who have already fallen behind up to grade level.

The financial circumstances we now face will impact these districts and these children very differently. Wealthier districts that already offer an enriched program will have to make cuts. But for the most part, those cuts will occur in programs not even offered to the children in less wealthy school districts. In more affluent districts, the wealth of district taxpayers affords them the opportunity to support an enriched program for their students.

The choices faced by school boards and administrators in less wealthy school districts will be harsh. They have far fewer non-mandated courses, fewer co-curricular activities such as clubs and service organizations, and they already provide far fewer opportunities for students to participate in sports, music, arts, etc. And if they don't have it, they can't cut it from their budget. So the choices they face about what to cut are limited to those few opportunities that they do offer their students that are not required by law or regulation.

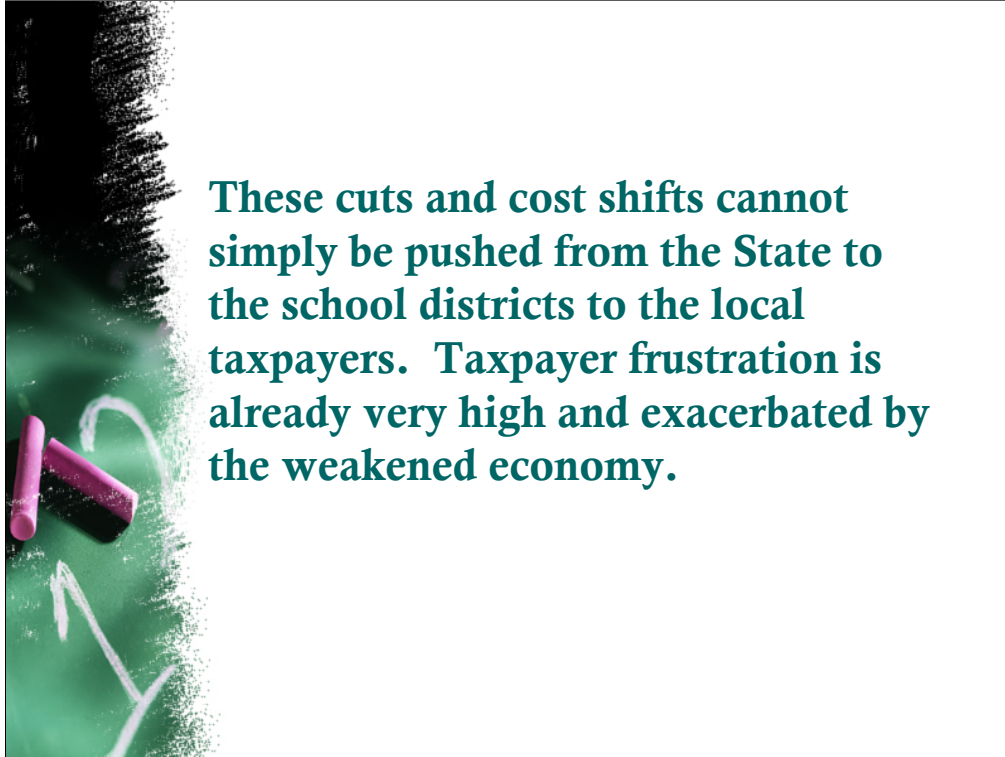
It is critically important that you understand these differences. The Governor's budget proposal makes an effort to moderate his proposed cuts, but does so insufficiently and without equity.

## Impact of Governor's Proposed Cuts\*\* ...

District A: High Wealth District	District B: Average Wealth District	District C: Low Wealth District	District D: High Needs District
Annual Budget: \$20 Million	Annual Budget: \$20 Million	Annual Budget: \$20 Million	Annual Budget: \$20 Million
10% State / 90% Local Funding \$2 Million State Aid	25% State / 75% Local Funding \$5 Million State Aid	50% State / 50% Local Funding \$10 Million State Aid	75% State / 25% Local Funding \$15 Million State Aid
Impact of Governor's Proposed Cuts: 13% = -\$260,200	Impact of Governor's Proposed Cuts: 10.5% = -\$526,250	Impact of Governor's Proposed Cuts: 7.29% = -\$729,000	Impact of Governor's Proposed Cuts: 3.32% = -\$498,375
Proposed New budget: \$20 Million (Frozen)	Proposed New budget: \$20 Million (Frozen)	Proposed New budget: \$20 Million (Frozen)	Proposed New budget: \$20 Million (Frozen)
State / Local Funding: \$1.7 Million State \$18.3 Million Local	State / Local Funding: \$4.5 Million State \$15.5 Million Local	State / Local Funding: \$9.3 Million State \$10.7 Million Local	State / Local Funding: \$14.5 Million State \$5.5 Million Local
LOCAL TAX INCREASE: 1.44%	LOCAL TAX INCREASE: 3.51%	LOCAL TAX INCREASE: 7.29%	LOCAL TAX INCREASE: 9.97%

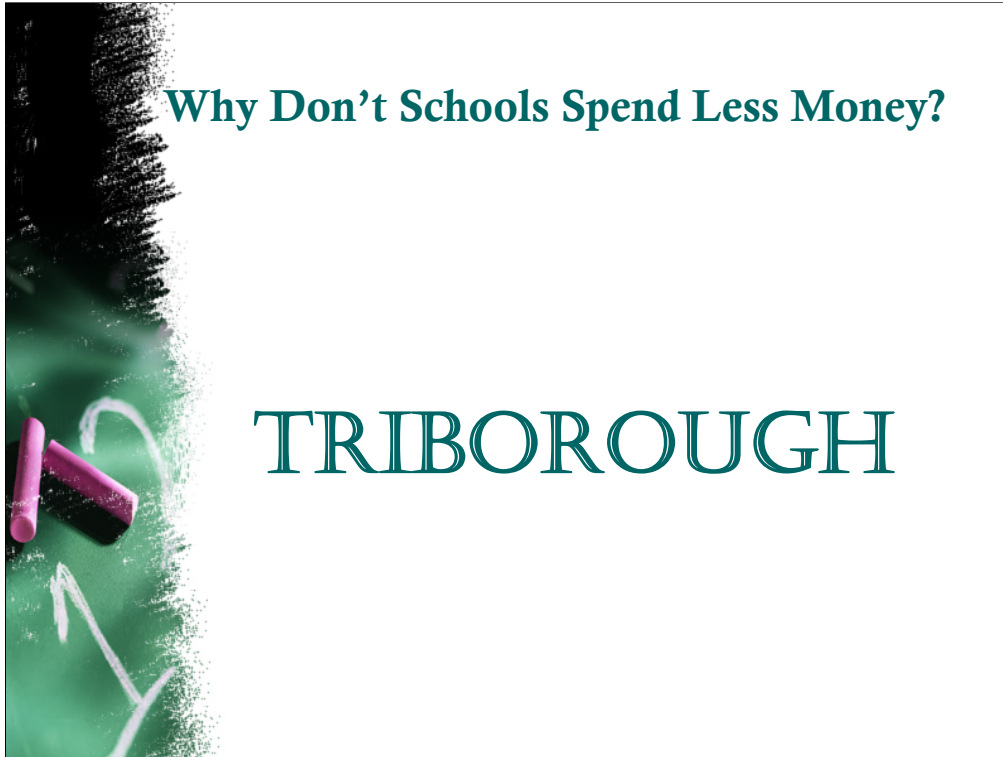
\*\*based on No budget increase





**These cuts and cost shifts cannot simply be pushed from the State to the school districts to the local taxpayers. Taxpayer frustration is already very high and exacerbated by the weakened economy.**

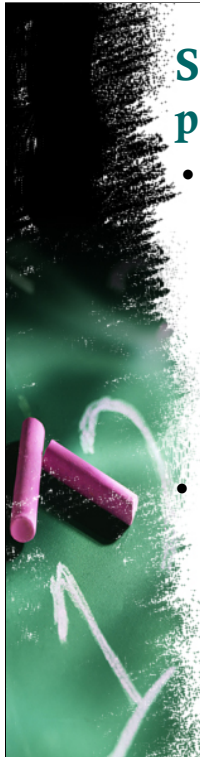
- The Suozzi Commission, the Lundine Consolidation Study and Report and potential tax cap legislation direct us to the fact that property taxes have hit the frustration point.
- We just must spend less.



- Why don't schools spend less money?

- Triborough provides for the terms of a contract to remain in force until a new contract is agreed upon. So when a contract between a teachers union or other bargaining unit and the district has expired (say at the end of three years), the provisions of that contract continue in perpetuity until both parties agree to a new contract.“

- Since 1967 with the enactment of the Taylor Law, school boards have been unable to motivate bargaining units to diminish costs of labor agreements. In fact, the escalation cost curve of labor agreements continues to grow.



### **School Boards cannot unilaterally reduce pension and health insurance costs**

- Pension costs have been increased by the state (with the generous enhancements enacted by the Governor & Legislature several years ago) and are now poised to shoot up even more because of the stock market's decline. Schools have no control over this.
- Health insurance costs continue to rise dramatically. Schools have no control over those cost increases, and are inhibited by Triborough from having their employees share more fully in the cost of their own insurance.

- Pension benefits and rates are not part of a labor agreement and local school boards have absolutely no control over them. But pension costs are a function of salary. And Triborough protects salary.


- Triborough also protects Health insurance eligibility and plan details... they in turn control ever increasing costs to school districts



## **The Control of Costs rests with SED and the Legislature**

- Special Education costs continue to rise. Districts have very limited power to control those costs. The state could reduce special education costs for itself and districts by adhering to federal guidelines rather than imposing more stringent and costly state rules.

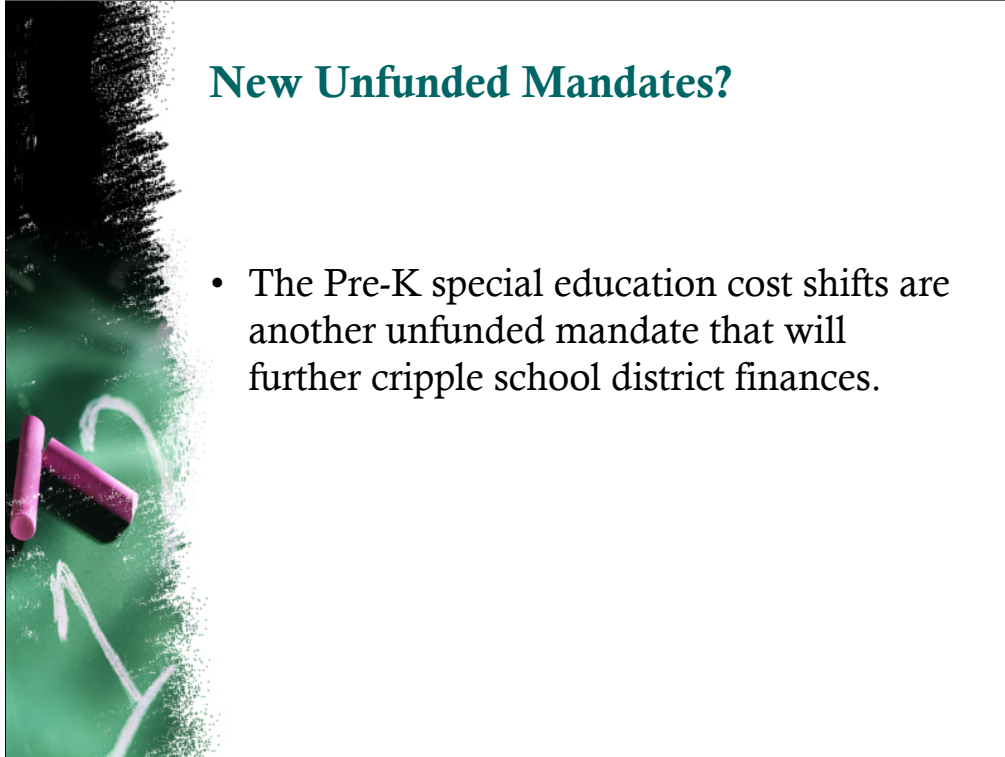
•This slide speaks for itself.




## Limitations and Shifted Burdens

- Schools lack the power to simply reduce their costs. Triborough prevents us from doing so.
- Either change the Triborough Amendment to give school districts greater leverage in negotiations or legislatively change what public employees and employers must contribute to health care costs, pension.
- These cuts and cost shifts cannot simply be pushed from the State to the school districts to the local taxpayers.

•School Districts can't cut costs unless the chains that bind our hands are removed. You can't have it both ways.



• Separate from the more than \$1 billion cut in aid is a new unfunded mandate. It requires a shift of \$133 million in pre-K special education costs. The Governor's proposed budget shifts 15% of the cost of pre-k special education from the state and counties to local school districts. This is a slippery slope for school districts. The state plan is obvious. This shift could continue until schools pay for all PreK special programs and costs.



## Our Challenge to the Governor and State Legislature

Whatever happens to these school districts, the children they serve and the taxpayers, has been and continues to be, up to you.

- Fundamental change must occur if our educational mission accomplished and taxpayers are to be saved.



## **Thank You**

**We appreciate the difficult  
decisions before you.**

**We will guide and support your  
efforts to save our schools.**

**Your participation today and  
support for our schools is  
appreciated.**