



BCSD Advocacy White Paper
Executive Summary
February 2017

Introduction

There are five key areas that comprise Bedford Central's advocacy efforts: **Unfunded Mandates; The State Aid Formula; The Property Tax Levy Cap; the ability for Contingency Planning; and, Special Education.** In this paper, we provide position statements and suggested modifications to New York State's school funding model which would assist the Bedford Central School District in providing adequate, equitable, fair and affordable education for all children.

This document has been crafted with input from a Bedford Central School District Board of Education ad hoc Advocacy Committee, the BCSD Board of Education Finance Committee, the BCSD Community Budget Advisory Committee, and the school administration. We have also incorporated recommendations from other State and regional advocacy groups.

Unfunded Mandates

When the tax levy cap was introduced, the Governor recognized that it would be deleterious to New York's public education system unless there is significant mandate relief. However, to date, there has been no mandate relief. BCSD calls upon the Governor and Legislature to consider the following:

Recommendation #1: BCSD calls upon the State to examine all unfunded and underfunded mandates with the goal of minimizing such mandates, which place a burden on local school districts and detract from instructional programs and services for students.

The State Aid Formula

Foundation Aid is the most significant of the aids. BCSD believes the current formula for calculating Foundation Aid does not fairly represent the need that exists in its constituent communities. BCSD calls upon the Governor and Legislature to consider the following:

Recommendation #2: BCSD encourages the Governor and Legislature to utilize methods in State Foundation Aid calculations that fairly represents need in Districts. These include:

- ❑ Distributing State aid through an equitable funding formula with built-in annual adjustments that provides essential resources and services to all students and complies with New York's Constitution and meets statutory and regulatory requirements.***
- ❑ Utilizing the "median" rather than the "mean" as a measure of central tendency for data points used to measure district wealth.***
- ❑ Utilizing data that accurately portrays student need within a district, such as Small Area Income and Poverty Estimates (SAIPE) to fairly represent actual student need***



and Direct Certification Data as a proxy for student need instead of FRPL which can dramatically underrepresented actual need.

- ❑ Providing accommodations for school districts serving a large number of English Language Learners through the use of targeted aid or adjustment to Foundation Aid Formula to account for such costs.
- ❑ Updating the Regional Cost Index to ensure that regional cost differences are measured accurately and thus incorporated into the funding formula.

Other areas of the State Aid formula in need of adjustment

There are multiple areas of State Aid. BCSD believes adjustments are required in a number of these categories.

Recommendation #3: *BCSD encourages the State to utilize some measure of poverty, specifically Direct Certification Data, in the calculation of Building Aid; and, that the State maintains funding for High Tax Aid.*

Contingency Planning

Under the current and modest property tax levy cap, the ability of school districts to plan for emergencies, unanticipated required expenses, and/or other contingency expenses is severely limited. BCSD calls upon the Governor and Legislature to consider the following:

Recommendation #4: *BCSD calls upon the Governor and Legislature to create mechanisms for school districts to create reserve or contingency funding for potentially volatile or unanticipated expenses, including:*

- ❑ Teachers' Retirement System
- ❑ Other postemployment benefit obligations
- ❑ Healthcare expenses for current employees

The Property Tax Levy Cap

The Bedford Central School District supports minimizing burdensome tax increases on residents. The current property tax levy cap, combined with inadequate State Aid, places unreasonable constraints on the fiscal operations of a school district, and threatens the maintenance of effective instructional and support programs for students. The Taylor Law and Triborough Amendment remove such increases from the control of the District in the case of an expired contract.

We encourage the Legislature to revise the property tax levy cap, in conjunction with the State Aid Formula, to provide for fiscal predictability so districts may more effectively plan for the future. The cap should be a cap on identified allowable expenses, not revenues. In addition, the current tax levy cap is subject to the variability of the CPI and thus does not allow for long term planning. Bedford Central encourages the Legislature to establish a minimum allowable tax increase on identified allowable expenses, or if CPI falls below that minimum amount.





Recommendation #5: *Adjust the property tax cap calculation to more realistically align with reasonable increases in expenses.*

Accommodations for School Districts in Fiscal Stress

Bedford Central's fiscal stress level increased for 2016. This stress can be exacerbated due to a significant loss in revenue due to tax certiorari cases or the unexpected loss of a significant portion of the value of their taxable property. We encourage the Legislature to hold school districts financially harmless whenever they experience the unanticipated, significant loss of revenue due to tax certiorari cases or the unexpected loss of a significant portion of the value of their taxable property.

Recommendation #6: *Provide districts assistance when they experience the unanticipated, significant loss of revenue due to tax certiorari cases, the unexpected loss of a significant portion of the value of their taxable property, or are categorized in moderate or significant fiscal stress.*

Bedford Central supports the NYSSBA's position regarding tax exempt properties and the negative impacts and stress such arrangement place on the local school district. The current model is detrimental to communities with large number of properties which are tax exempt, thereby requiring other owners of taxable properties to bear the larger tax cost. The communities served by Bedford Central houses two Correctional Facilities, a large hospital, State properties, and numerous other not-for-profit organizations. Bedford Central therefore encourages the Legislature to explore methods to adjust school district's property tax levy cap accordingly when the school district houses a certain threshold of tax exempt properties.

Recommendation #7: *Provide accommodations and relief within the property tax levy cap for school districts which are the home of a certain threshold of tax-exempt or not-for-profit entities.*

Special Education

School districts maintain a commitment and sacred and statutory obligation to meet the needs of students with disabilities. Meeting such needs in an effective manner brings extraordinary expense upon a school district, which causes local competition for scarce resources. BCSD calls upon the Governor and Legislature to consider the following:

Recommendation #8: *BCSD encourages the lowering the extraordinary cost threshold to provide relief to school districts working hard to educate students with such extraordinary needs.*

