



NASSAU-SUFFOLK SCHOOL BOARDS ASSOCIATION, INC.

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**TO: N-SSBA's Member Boards of Education**

**FROM: Susan Bergtraum, President  
Martin Kaye, Legislation Chair  
Fran Greenspan, Finance Chair**

**RE: Proposition 1 – Proposed Constitutional Amendment**

Boards of education are often advised to exercise caution when developing or changing policy in the midst of turmoil. Policy decisions framed in the crisis of the moment may include ill-conceived “solutions” that carry potentially irreversible consequences well into the future.

On November 8<sup>th</sup>, New York's voters will decide whether a disparate package of budget reform proposals conceived in the aftermath of a problematical Court of Appeals decision and amidst public frustration with two decades of late state budgets, justifies amending New York's constitution in the name of “budget reform”.

After scrutiny of the disaggregated proposals that comprise the constitutional amendment and its implementing statute, Nassau-Suffolk School Boards Association has decided not to promote a position either for or against Proposition 1 as viewed in its entirety. We leave it to our individual members to determine whether the desirability of addressing some of the most vexing aspects of the state budget process outweighs concerns with other aspects of the proposition.

**Text of Proposition 1 as voters will see it on the ballot:**

“Amendment to Articles IV and VII of the Constitution, in relation to the submission of the budget to the Legislature by the Governor:

“The proposed amendment to Articles IV and VII of the Constitution would change the process for enactment of the state budget by (a) providing for a contingency budget if the Legislature does not act on the Governor's appropriation bills before the start of the fiscal year; (b) placing limits on the amount of spending during such contingency period; (c) once such contingency period begins, eliminating the requirement that the Legislature act on the Governor's proposed appropriation bills, and instead authorizing the Legislature to end the contingency period by adopting a multiple appropriation bill making changes to the contingency budget, subject to line item veto by the Governor; and (d) authorizing the Legislature, subject to veto by the Governor, to modify the spending limits for future contingency budgets, except that such changes cannot take effect until three years after enactment. The proposed amendment also sets forth certain requirements for the operation of a fiscal stabilization reserve fund, from which money could be disbursed in a subsequent year. It would require estimates and information provided by the state departments to the Governor for use in preparing the budget to be available to the public. It would provide a date certain by which the Governor must submit a budget and appropriations bills to the Legislature. It would reduce the time the Governor has to make changes to the budget and appropriation bills submitted to the Legislature without the Legislature's consent from thirty days to twenty-one days. Shall the proposed amendment be approved?”

Some points to consider:

- The measure would institute a two-year cycle for education aid appropriations. Each year the next two year period would be addressed on “a rolling basis”. *The New York State School Boards Association strongly supports this in the belief that it would ensure that public schools have funding certainty regardless of the outcome of the budget process each spring. This conforms to NYSSBA’s membership-approved “Principles of Funding” that calls for “predictability”. There is concern, however, that two-year appropriations represent aggregate state funding sums, and absent a specific and dependable state aid distribution formula, districts would still be left with no clear indication of their expected aid should the state budget be late. N-SSBA’s Finance Committee expressed the concern that “a two-year lag could serve to allow Legislators to further distance themselves from the fiscal and educational consequences of their prior-year’s decisions”.*
- A default budget (referred to as a “contingency budget”) would automatically take effect should the Governor and Legislature fail to adopt a timely budget and would provide for the same level of appropriations enacted for the previous fiscal year to continue until the conclusion of the contingency period. Once in default, the Legislature would then have the power and responsibility to craft a new state budget, subject to veto by the Governor. *This would address the Court of Appeals decision that granted the Governor unequalled power in the development of the state’s budget and, in the estimation of the Legislature, left it with no ability to amend or adjust the governor’s proposed budget. There is concern, however, that this could provide the Legislature with an incentive to drag out the process beyond the budget deadline thereby enabling a Legislature-controlled contingency budget.*
- The start of the state fiscal year will change from April 1<sup>st</sup> to May 1<sup>st</sup>. *The provision is opposed by NYSSBA due to its reduction in the time between the new state budget date and the school budget voting date. N-SSBA’s Finance Committee opined “that the change in date would do little more than provide Albany with an extra 30 days to do nothing. There would be little additional information on revenues beyond that which was known prior to April 1<sup>st</sup>...most income taxes having been paid through salary deductions. The May 1<sup>st</sup> date would, however, create problems for school districts, particularly if the mandated third Tuesday in May school budget vote date were to remain.”*
- The Education Conference Board has drafted legislation to help the Legislature address the timeline situation created by the compression of time between the deadline for state budget passage and mandated school budget voting date. It proposes delaying the vote until the Tuesday before Memorial Day and curtailing the multiple notices currently required. *N-SSBA’s Finance Committee expressed concern that the later a school district’s budget is in place the less time there is for transition into the new fiscal year. Should there be a budget defeat, the timeline for submission of a revised budget will now be compressed by a week in order to comply with the new mandated universal school budget revote date set for the third Tuesday in June. NYSSBA believes that the problem with changing the state fiscal year is considerably lessened with the adoption of a two-year school funding cycle.*
- The Amendment would create an independent budget office that would establish an estimate of likely revenues for the coming year. *Wide disparities in revenue projections among the Governor, Assembly and Senate have often impeded adoption of a budget. The “independence” of the independent budget office is questioned, however, as it will be led by appointees of the Assembly and Senate leadership.*