

**NASSAU-SUFFOLK
SCHOOL BOARDS ASSOCIATION**

**INVITED TESTIMONY PRESENTED BY
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**NEW YORK STATE ASSEMBLY
WAYS AND MEANS COMMITTEE
PUBLIC HEARING
2007-08 EXECUTIVE BUDGET PROPOSALS**

MARCH 2, 2007

Suffolk County Legislative Auditorium
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Good morning.

On behalf of the Nassau-Suffolk School Boards Association and its President Susan Bertraum, I thank you for the invitation to address some concerns with regard to Governor Spitzer's proposed 2007-08 State Budget.

We are all familiar with an oft-quoted observation by H. L. Mencken..... "For every problem, there is one solution which is simple, neat.....and wrong." None can deny that the complexity of the formula which drives New York's aid to education is a problem in need of a solution. While at first glance the Foundation Formula solution proposed by the Governor may be simple and neat....for too many Long Island school districts it is wrong.

The Foundation Formula, as proposed, does respond to many of the concerns raised with previous Executive budgets. It begins the state budget negotiation process with an impressive \$1.4 billion for education, includes a minimum 3 percent increase for all districts, acknowledges in part our call for regional cost recognition, and, most significantly, drives substantial aid increases to a number of Long Island's neediest districts.

However, this Foundation Formula fails to adequately provide for the vast majority of Long island districts, most of which are average and high need. It should be very apparent there are serious flaws with any formula change that starts out by flat-lining 113 out of 124 Nassau and Suffolk districts. In each of the out years of the Governor's four-year Foundation Formula plan, the save-harmless status of these districts will prevent them from accessing the aid increases for which they would otherwise qualify.

Long Island schools are among the best in the country and our costs are on par with schools around New York State when adjusted for regional cost differences. So why do our residents pay more? For far too long, misperceptions about our communities have adversely influenced decisions about state aid for our schools. The use of a volatile measure of local wealth to determine the Foundation Formula's "expected minimum local contribution" denies the reality that Long Island's incomes are not keeping pace with the cost of living here.

Long Islanders use an average of about 20% more of their gross household incomes to pay their residential school property taxes than New Yorkers in general. As Long Island's regionally adjusted per pupil expenditures are approximately 6.6% less than the median county in New York State, and since over the past ten years, Long Island has experienced only an average 2 percent increase annually in per pupil expenditures, this greater than average effort is required due to Long Island's share of state aid.

We appreciate that the Long Island Senate and Assembly delegation recognized the enormous local effort exerted by our property taxpayers and that you were successful in establishing High Tax Aid and Tax Limitation Aid within the current formula. Should these two aids now be incorporated into the overall Foundation Formula, their effectiveness will erode over time.

Our schools have received about 12.5% of the state's school aid package. Nassau-Suffolk School Boards Association and our many allies have argued that, at the very least, our share should be 16.7% to match the portion of the state's students we serve. Instead, the Governor's plan reduces Long Island's share of the state aid pie to just 12.2%. We seem to be going in the wrong direction.

In the past you and your colleagues have rejected Executive budget proposals that would have incorporated special education aids into the current "flex aid". This year we face another attempt to insert one special education category – Public Excess Cost Aid – into the new Foundation Formula. We urge you to reject this proposal. It is particularly damaging for the many Long Island schools that educate large numbers of special needs students. Additionally, if subsumed into the Foundation Formula, Public Excess Cost Aid will essentially be capped for all save-harmless districts.

While attention to the local impact of education aid is always a priority, other proposals in the Executive budget warrant attention.

Our Association is confident that we are supported by Long Island voters in our long-standing opposition to the imposition of charter schools into local school districts. We represent communities that rally in opposition at every attempt by the state that would grant automatic access to local tax dollars by for-profit business enterprises that operate outside of the control of any publicly elected body. The Senate and Assembly withstood the pressure from the former Governor to raise the cap on the establishment of charter schools. We urge you to stand in opposition to any attempts by the new governor to do the same.

In addition we call upon you to resist private school vouchers, tuition tax credits and expansion of services or financial aid to private, parochial and charter schools.

While not mentioned in the Executive Budget, this Governor seems to have followed what has become a tradition in the State of the State address....a call to address the Wicks Law that ends up going nowhere. The retention of this arcane law that wastes millions of local and state dollars is unconscionable. Nothing short of outright repeal will be sufficient to bring to a halt decades of this misuse of public funds. Let this be the year that the Legislature supports New York's taxpayers...ABOLISH THE WICKS LAW.

Once again we ask that the Legislature act to restore the ability of school districts to retain an unrestricted fund balance of 5% as a reasonable cushion against revenue shortfalls and/or emergency expenditures. You have voted for this in the past only to face a gubernatorial veto. We pledge to work with you this year to achieve a more successful outcome.

You have a daunting task before you. You must deal with the dilemma of allotting scarce resources for ever-expanding and competing needs, a situation in which board members find themselves annually. We ask that you keep in mind that you and we are entrusted by our mutual constituents with responsibility for their two most precious assets....the community's children and the value of its homes. Balancing the two is our joint responsibility.

Thank you.