



New York State  
School Boards  
Association

*Better School Boards Lead to Better Student Performance*

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July 9, 2019

The Honorable Andrew M. Cuomo  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12244

Re: S.5425, Mayer / A.7062, McDonald  
Relates to the definition of school districts which have the power to contract indebtedness

Dear Governor Cuomo,

The New York State School Boards Association *supports* the above referenced legislation and encourages your signature.

This bill would make uniform the calculation of debt limits between small city school districts and other fiscally independent districts, including central, common and union free school districts.

School districts have constitutional and statutory limitations on the level of debt they can hold, based on the full value of the taxable property within the district. For central, common and union free districts, that limitation is 10%. For small city school districts, that limit is a more restrictive 5%. In addition, the method used to calculate the allowable limit for small city districts is different than other fiscally independent districts. This is to the detriment of small city districts. Unlike fiscally independent districts, small city districts are prohibited from deducting the anticipated building aid associated with capital project financing from their total debt, while other fiscally independent districts can do so.

If enacted, this bill would allow the debt limit for small city school districts to be calculated in the same way as it is for central, common and union free districts, by deducting the anticipated building aid. While this would still leave the total limit lower than other districts (5% as set in the state's constitution), practically speaking this change would dramatically improve financial management, flexibility and opportunities for these districts.

The current restrictions place significant burdens on small city school districts. These districts have experienced difficulties when pursuing facility updates and improvements because of these limitations. The result is a debt limit per pupil that is more than eight times greater in central, common and union free districts than small city districts. While the percentage limitation itself is constitutional, the method of calculation is statutory and should be altered in a way that treats these districts, and their students, equitably.

Therefore, NYSSBA **supports** the above referenced legislation and urges your signature. For additional information, please do not hesitate to contact me at 518-783-0200.

Sincerely,

A handwritten signature in cursive script that reads "Julie M. Marlette". The signature is written in black ink and includes a long horizontal flourish at the end.

Julie M. Marlette  
Director of Governmental Relations

CC: Senator Shelley Mayer  
Assemblymember John McDonald  
Alphonso David  
Christopher Riano  
Dan Fuller  
Jamie Frank  
Michael Smingler