



Testimony of the New York State School Boards Association

Assembly Standing Committee on Education

Public Hearing: To examine the current state of New York's school infrastructure and facilities and study new ways to support, improve, and modernize New York State's schools and boards of cooperative educational services (BOCES)

Submitted October 19, 2017

On behalf of the New York State School Boards Association's more than 670 member boards of education, we appreciate the opportunity to submit testimony to the Assembly Committee on Education and Chairwoman Nolan on the infrastructure and facilities issues facing school districts.

New York State's public schools educate more than 2.6 million students in tens of thousands of school buildings. It is critical that these facilities are safe, modern and meet the standards that our community members expect and our students deserve. The state is an important partner in this process, investing an estimated \$3 billion in building aid in the 2017-18 school year alone. In addition to traditional building aid, the state has made targeted commitments to school district facilities over the past couple decades by way of the Expanding our Children's Education and Learning (EXCEL) program and the Smart Schools Bond Act. School districts across the state appreciate the legislature's support of our infrastructure needs.

Despite the existing resources and supports, school districts need additional assistance to meet the needs of all of our students. First, it is important that districts be able to use the resources they receive effectively. One way to ensure this is to address challenges in the State Education Department's Office of Facilities Planning. For a number of years, school districts had faced significant delays in the review of their submissions for construction project approval. For some districts, these delays led to project cost increases and the inability to set efficient construction timelines.

Steps have been taken to address the backlog of projects and expedite approval. For example, the 2015-16 enacted state budget included an appropriation of \$800,000 for the Office of Facilities Planning to hire additional staff. In addition, the State Education Department has partnered with both BOCES and outside engineering firms to provide initial review of certain projects with minimal health and safety risk. These funds and partners will help alleviate some of these issues in the short term, but a long term solution, including additional funding for the department and approval for additional positions, are needed.

Water purity is another important issue related to school infrastructure. School districts are indebted to Assemblywoman Nolan for her leadership in supporting school districts during the discussions last year about how to address lead in school district water sources. While many important issues were managed, as we approach the second cycle of testing, we hope the state will partner with school districts to solve some of the logistical challenges faced in the first round, most urgently the need to stagger testing to allow for water samples to be processed in a timeframe that complies with required deadlines.

Another factor impacting school districts and BOCES facilities is the property tax cap. First, the state's interpretation of the property tax cap's capital exclusion does not include a school district's capital costs related to BOCES facilities. Under the tax cap law, a school district is required to exclude the local share of expenses related to construction (debt service and capital outlay) from their tax cap calculation. However, the costs of component districts to fund BOCES capital expenses are not a part of this exclusion. Not allowing BOCES capital expenses to be part of a school district's capital exclusion has acted as a disincentive to school districts from maintaining and updating the facilities needed to ensure that the 100,000 students educated in more than 600 BOCES buildings each day have equitable access to educational facilities. The legislature has made multiple efforts to address this issue. In 2015, language was adopted that would include BOCES facilities costs as part of the capital exclusion. The change was made permissively, assigning authority to the Department of Taxation and Finance. Since then, the department has not enacted such changes. In June of this year, both the Senate and Assembly approved S.4283 (Murphy)/A.5965 (Galef), which would make this change legislatively. We deeply appreciate your support of this legislation and ask you to join us in calling on the Governor to sign the bill when it is delivered.

A second unintended consequence of the tax cap law is the calculation of negative tax caps. School districts can face a negative cap for a couple of reasons, including the paying-down of debt service on construction projects and other capital borrowing. When able, districts can make advance payments against existing debt in order to use those savings to support programs and services that directly benefit students in the classroom. However, if and when a district does this, there is a dollar for dollar reduction in their tax cap calculation. So those savings are effectively lost and, if the reduction is large enough, can result in a negative tax cap for such districts. Not only does this act as a disincentive to school districts finding efficiencies and savings within their budgets, but it also pushes districts to schedule their capital projects around the potential impact on their tax cap instead of what might be most appropriate from an educational standpoint. To help address this issue, we ask the legislature to support legislation, S.3969 (Seward)/A.226 (Lupardo), which would eliminate negative tax caps by creating a floor of zero percent.

The above referenced issues are representative of some key challenges related to investments in school district infrastructure. NYSSBA thanks the Chairwoman, members of the Assembly Committee on Education and other policymakers for their commitment to our schools. We look forward to continuing our work with you to provide our students with the highest quality safe and productive learning environments.