



Governor Cuomo's Education Reform Commission  
August 8, 2012 Binghamton University

Commissioners:

My name is Stacey Duncan and I am the Government Relations Manager for the Greater Binghamton Chamber of Commerce. It is a pleasure and a privilege to address members of the Commission.

The Greater Binghamton Chamber of Commerce represents nearly 900 diverse businesses and organizations in the Greater Binghamton area. Our mission is to serve as the premier resource for business development, education outreach and effective advocacy on behalf of our membership.

In addition to our business advocacy efforts, the Chamber operates the Greater Binghamton Education Outreach (GBEOP) program. Through GBEOP, the Chamber operates the Broome Leadership Institute, several Junior Achievement programs, which puts businessmen and women inside the classroom, and a Building Bridges program, which provides local teachers and school administrators the opportunity to learn firsthand, the workforce needs in our area.

Working with our Unshackle Upstate partners, we strongly urged and advocated for the passage of a property tax cap last year. We commend Governor Cuomo and members of the Legislature for recognizing the numerous benefits that a cap would have for New Yorkers.

The success of the cap is not just in providing much-needed relief to New York taxpayers, but because it has served as a catalyst for an honest dialogue on the state of our schools.

Greater Binghamton / Broome County has thirteen outstanding school districts that are not immune to the challenges facing New York communities. A declining tax base coupled with increased mandates and personnel costs continually challenge local schools. This year, being the first year with the tax cap in place, all area schools were able to work within the tax cap formula, but this did not come without cost. Several school districts saw teacher and support staff layoffs and several important programs were threatened.

For example, a local school district that hosts one of the Chamber's Junior Achievement Entrepreneurial programs proposed a budget that would have eliminated their business department and eliminated the JA program. This is because, when faced with fiscal challenges, the non-mandated programs are the first on the chopping block – regardless of the benefit they may serve students. We have since learned that that several school districts will be operating with significant structural deficits in the years ahead.

The Chamber believes strongly that strong schools equals strong communities and respectfully puts forth the following recommendations to help innovate our schools and better educate students.

It is estimated that schools spend on average 70 to 75% of their budget towards personnel costs. Additionally, New York imposes more than 120 mandates that cost schools anywhere between 16 to 28% of their annual budgets. This leaves little room for maintaining or expanding programs for the benefit of students. Meaningful mandate reform must be a priority in the year ahead.

#### Mandate Relief / Pension Reform:

*Passage of the Unfunded Mandate Moratorium (A.4811)*, which enacts a permanent moratorium on unfunded mandates imposed on schools and local governments costing more than \$10,000 annually or \$1 million statewide. This legislation would also require a fiscal note on bills.

*Develop an ability to pay threshold:* This would provide school districts to determine the fiscal impact on their budgets and if they are unable to pay for a given mandate, a phase-in period should be provided to help alleviate costs.

Develop performance measures: - Do the mandates result in the desired outcome? If not, State Education officials should revisit.

Triborough Reform – Freeze salary step increases if no contract is in place.

Establish minimum health insurance contribution level – Employers will cover no more than 85 percent of an individual health care premium or 75 percent of a family or retiree premium.

Defined Contribution Plans – While New York made significant progress with the passage of Tier VI reform legislation, pension costs will continue to plague school districts. Providing an optional defined contribution plan, similar to what is provided by the SUNY/CUNY systems.

Since 2000, the NYSTRS fund has averaged a return on assets of 4.4 percent (not the required 8%), leaving taxpayers to fund the gap. This has perpetuated what Unshackle Upstate called in its 2009 report – a “double standard” between the growing schism between public and private sector wages and benefits.

### Sharing of Services/Consolidations

New York should incentivize programs that result in efficiencies and cost-savings through sharing of services or consolidations. Areas for consideration could be:

- Transportation services
- Athletic Directors
- Curriculum Directors
- Food Services
- Information Technology
- Legal and Financial Services
- Business Office Services
- Professional Development Services
- Purchasing Consortiums – from everything from office supplies to health care plans

Additionally there are several issues related to school consolidations that inherently discourage schools from looking seriously at a merger. These include:

- Requirement that any school merging with a City district is considered an annexation and not a merger;
- Typically, when school districts consolidate, there are immediate short-term costs associated; the state should cover these costs at the on-set so that schools will be made whole after a merger.

In closing, the challenges that lie ahead of our schools are many, but we can feel optimistic that for the first time in a long-time, we have a Governor that appears undaunted and ready to face them.

The Chamber invites members of the Commission and the Governor's staff to address our members at any time for further information.

Thank you for your time.