



**STATEMENT FROM THE CENTER FOR COST EFFECTIVE GOVERNMENT
ON THE NEED FOR MANDATE RELIEF, BEFORE THE NEW NY EDUCATION
REFORM COMMISSION**

OCTOBER 11, 2012
Old Westbury, NY

The Center for Cost Effective Government is a not-for-profit corporation formed earlier this year with a goal of promoting more efficient government in the state and region. The Center is a cadre of some of the most significant business and community leaders throughout Long Island. At the core...

Our organization is concerned about the extraordinarily high cost of living in New York State, and Long Island in particular. One of the main reasons for this is the high cost of educating our students in this region.

We believe that the quality of education on Long Island is generally very good. We also understand that this commission is tasked primarily with looking into educational methods, performance and funding. Nevertheless, the leaders of the Center for Cost Effective Government believe that better academic results for our children can result from unchaining our schools from the enormous burdens imposed by the huge number of mandates promulgated by the State and federal governments. Better efficiency equates to a better quality of education - and a greater flexibility for our local school officials regarding these mandates will indeed lead to greater efficiency within our schools.

The statistics prove that just because more money is spent on a particular program, it does not mean that better results come about. The spending on various educational programs over the last decade and a half has risen dramatically. There has not been a commensurate rise in student performance. As a result, we believe that there is a way to both enhance student performance and save money simultaneously. It starts with providing schools and localities more flexibility from the burdensome mandates which have brought many of these taxing jurisdictions to the brink of bankruptcy.

The 2% property cap is something that the majority of residents on Long Island and throughout the state believe was necessary to get costs under control. But it was always envisioned that the cap on taxes would be coupled with mandate relief for our schools and our localities. Well, starting last year, school boards got the restrictions inherent in the cap, but got none of the promised mandate relief. That is why it is so essential that this be the year that we finally see some true mandate relief.

The time for lip service is over. Now that schools and localities are forced to deal with the 2% cap, the State of New York has an obligation to help schools and localities by implementing these changes by eliminating the burdensome Triborough Amendment and by bringing about true reforms in the field of preschool handicapped education. At the core of the center's mandate relief agenda is the elimination of the Triborough doctrine in New York State. This doctrine is one of the most complained of mandates imposed upon schools and local governments throughout New York. The doctrine dates back to a court decision in the 1980's, which requires local government to provide salary step increases for school and municipal employees even after a contract has expired. Step increases are automatic wage increases usually in the 2 to 4% a year range that are given to employees simply for existing yet another year within the system. These increases are over and above the negotiated percentage increases for the employee's salary. Consequently, while a newspaper may report that a contract has been settled between a government and its employees for a five-year 15% salary increase, one would assume the employees are receiving an average of 3% increase a year. Such an assumption would be inaccurate. The 15% is actually doubled when one considers that employees are probably receiving an additional 2 to 4% step increase on top of the negotiated salary increase. Thus the five year 15% increase is actually a 30% increase to the taxpayer.

The problem with the Triborough Amendment is that it severely mitigates the incentive for the union to provide concessions in the negotiation process. As long as their employees continue to receive step increases, even though the contract has expired, there

is very little incentive to get a new deal done if it includes any type of giveback. The Triborough Amendment is one of the most complained of mandates forced upon localities in the State of New York. It is an anomaly relative to other state throughout the nation, and is one of the reasons property taxes are so high in New York. If this state panel is looking for reforms to the system, it can start with this issue. This is very important for schools, which comprise two-thirds of an average property taxpayers bill on Long Island.

We also join the New York State Association of Counties in seeking certain reforms to preschool education program. While Pennsylvania spends about \$5,000 a child and New Jersey spends approximately \$9,700, New York spends approximately \$17,000 per child with some receiving nearly \$200,000 in services annually. While in 1995, New York served 55,730 children at a cost of \$597 million. By 2012, those figures are expected to grow to 66,000 children at a cost of nearly \$1.6 billion. Yet the educational outcomes are not commensurate with this outlandish spending. New York still ranks only in the middle of the pack nationally despite spending far greater than most other states.

We want better quality education for children with special needs, but that does not necessarily require higher costs. Numerous audits of the program have revealed millions of dollars in fraud and waste including:

1. Absentee Executive Directors;
2. Unsupported vehicle related costs;
3. Excess payments to independent contractors;
4. Improper employment of family members and friends;
5. Billing for non-reimbursable personal costs;
6. Unsupported depreciation expenses.

Some reforms to be considered include:

1. Provide counties more authority over transportation services;
2. Encourage parents to transport their children with appropriate reimbursement;
3. Establish a regional transportation research grant program to encourage shared services across county lines.
4. Allow for schools and counties to share in savings as an incentive to provide further local audits of the program.

We thank you for considering these thoughts and ask that this panel make cost containment a cornerstone of its deliberations and its ultimate report. The quality of education on Long Island is very good. We want to enhance it further, but we do not

believe higher taxes are always the answer. All the programs in the world are irrelevant to a family that cannot afford to live in this state any longer.