



August 23, 2012

## TESTIMONY: NEW N.Y. EDUCATION REFORM COMMISSION

### WHO WE ARE:

The North country Chamber of Commerce is the largest business and economic development organization in northern New York and one of the largest in the state, linking more than 4,200 member companies across Clinton, Essex, Franklin, Hamilton and northern Warren Counties. In addition to our engagement in strategic issues and projects across this vast and unique region, we are also actively engaged in reform efforts in New York State, both directly and through coalitions and partners such as the Business Council of New York State and the Unshackle Upstate Coalition. I also have the pleasure of serving as Co-Chair of the Governor's North Country Regional Economic Development Council, and am currently serving on statewide work groups of the Regional Council system addressing business and workforce training issues.

*Home of:*

North Country  
Small Business  
Council

Adirondack Coast  
Visitors & Convention  
Bureau

North Country  
Industrial Council

Québec-New York  
Corridor Coalition

New York's  
Tech Valley

S.C.O.R.E.

Essex County  
Business Council

Plattsburgh-  
North Country  
Service Corp.

*Serving:*

Clinton  
Essex  
Franklin  
Warren  
Hamilton  
Southern Québec

### MANDATE REFORM IS ESSENTIAL:

We and our partners enthusiastically supported last year's enactment of the Property Tax Cap, and we believe it has been highly successful in starting a process of addressing costs with a new perspective and of highlighting the longstanding need for various forms of mandate relief. The latter is in fact now essential as the always necessary next step to capping property taxes.

The Commission should, as a key part of its findings and eventual recommendations, join the cause of meaningful mandate relief for our school districts in 2013, including the following elements of the "Let N.Y. Work" agenda embraced and advanced by more than a dozen major coalitions including Unshackle Upstate, the Business Council, the New York Farm Bureau, the Council of School Superintendents, the New York State School Boards Association, NFIB, the New York Conference of Mayors and others:

### \* REDEFINE COMPULSORY ARBITRATION:

- 1) Define Ability to Pay: Current law has no definition of the ability to pay. It should be amended to require that an arbitration panel accord substantial weight to ability to pay when making an award. The term should be defined as the ability of a public employer to pay all economic costs to be imposed on it by an arbitration award without requiring a reduction in services or an increase in the level of real property taxes in existence for each year or years addressed by the award.
- 2) Prohibit Consideration of Non-Compensation Issues: Other public employees (e.g. county sheriffs, State Police), which are permitted to seek arbitration of a bargaining impasse, are denied the right to pursue non-compensation issues before an arbitration panel. School districts should be entitled to the same.
- 3) Add Transparency to the Arbitration Process: Currently, an arbitration panel deliberates and renders its decision behind closed doors. Making their proceedings subject to the Open Meetings Law by requiring the arbitration panel to deliberate in a public forum within the school district under arbitration and to present its decision at



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a meeting of the school board would add a valuable level of accountability to a process that currently lacks any degree of transparency.

**\* WHEN CONTRACTS EXPIRE, FREEZE STEP INCREASES:**

- 1) The Triborough Amendment should be amended to provide that step increases will be on hold when no contract is in place.

**\* ESTABLISH MINIMUM HEALTH INSURANCE CONTRIBUTION LEVELS:**

- 1) School districts in New York State currently spend significantly more on fringe benefits than the national norm. If school districts across the state could simply change their health insurance premium sharing arrangements to match those for the State of New York for state employees, average savings would exceed \$500 million annually. We advocate state action providing that public school districts will no longer cover more than 85% of a single healthcare premium or 75% of a premium for families or retirees. This can be phased in over three years.

**\* NO NEW MANDATES:**

- 1) We need passage in 2013 of the Unfunded Mandate Reform Act (S.5379/A.8150), providing for submission of unfunded mandate reforms to the legislature for up or down votes.
- 2) Require a super-majority to enact any new unfunded mandates (S.3211/A.1592). This legislation would restrict the imposition of new unfunded mandates on local governments and school districts by the state until such time as those mandates are fully funded by the state. It would provide for certain exceptions, including allowance of a three-fifths majority in each house to override this restriction.

These and other forms of mandate relief, such as those related to construction costs, are an essential first step in education reform as, without these, our school districts will continue to struggle with necessary cost containment and the direction of scarce resources to actual educational needs versus uncontrolled costs that bear no relationship to education outcomes.

**OTHER ISSUES AND OPPORTUNITIES:**

**\* STEM:** We must redouble our efforts statewide to find creative new ways to enhance STEM skills, and boost the commitment of students to engage in and enjoy studies related to STEM. By 2018, New York is expected to require more than 423,000 STEM jobs, up from 385,000 in 2008, and we are steadily falling farther behind in our readiness. This is the ultimate time bomb in terms of New York's future ability to retain let alone attract quality employment.

**\* WORK READINESS:** On the other hand, the greatest and most consistent frustration expressed by employers is the low level of "work readiness" skills and attributes found in young people exiting our education system. This includes work ethic, communications, appearance, timeliness and attitude. There are models for supplementing diplomas with meaningful "Work Readiness Certificates" that can focus on the so-called soft skills. However, these have remained underfunded and have suffered from a lack of prioritization within the system. Education reform in New York must include a fresh and meaningful commitment to this.

\* **CONSOLIDATION:** We all know that there are significant cost savings and operational enhancements to come through consolidations -- not of districts but of functions. This must start with non-teaching functions of all kinds, knocking down regulations and barriers -- including impediments to sharing such positions as Superintendents and Principals where feasible. Similarly, it needs to be easier to share teaching functions and personnel as well among two or more proximate school districts.

\* **BOCES:** While school districts cannot legally "cap" access to various BOCES vocational training programs, we all know that "soft caps" are common -- setting numbers in annual budgets that then are met. With increased resource scarcity, there is no question that some educators in school districts feel "threatened" by the possibility of more students being enrolled in BOCES, and school board members can often see BOCES referrals as an all too easily attackable "line item" in their budgets. We need MORE of our students in appropriate BOCES programs, not always as an end in itself but as a highly effective way to channel many students into a college track they never otherwise would be on as they need to learn in an "applied" vs. traditional way. Indeed, encouraging BOCES utilization and attacking soft caps is perhaps one of the most effective pathways to the needed development of STEM skills.

Thank you for the opportunity to provide this testimony.

Respectfully,



Garry F. Douglas  
President and CEO

Attachment: Let NY Work: A Common Agenda for the Common Good