

Mandate Review Request #2012040020

Note: All information below was provided by the local government/Mandate Relief Council Member requesting that a mandate be reviewed. Neither the Council nor its staff has verified the accuracy of the information provided or made any other edits.

Name of Local Government: Hastings-on-Hudson
Type of Local Government: School District
County: Westchester

Name of Mandate: Retirement Contribution Reserve Funds

Type of Mandate: Statute

Citation for Mandate: General Municipal Law, Section 6-r(c) or Education Law Section 521

Description of Mandate: Law allows for reserves for pension contributions for employees, but not for teachers. In order to smooth budget expense and ability to stay within tax levy cap, school districts should be allowed to set aside funds for this obligation whenever possible (for example, if contribution rates decline). The outcome of a budget requiring a cap override not being approved is so detrimental to maintaining the educational program, that districts should be given every means to avoid needing to seek an override.

Recommended Change: Either add "to the New York State Teachers' Retirement System" in the General Municipal Law Section 6-r(c), or add a similar provision to Education Law Section 521.

Estimated Savings from the Recommended Change to the Local Government: up to \$320,000/year

Estimated Statewide Savings from the Recommended Change:

Description of Methodology Used in Estimating Savings: A two percentage point increase in our teacher pension obligation is currently about \$320,000. In a year where all of this increase needs to be covered under the tax levy cap, other spending will have to be decreased commensurately if we do not have the ability to reserve. This is really a prudent management practice rather than a current savings measure. As mentioned above, the 0% change in the tax levy that would result from a failed attempt to override the levy cap in order to pay for a pension contribution, would mean that our district would have to cut almost \$750,000 from non-contractual expenses - a dramatic hit to either staffing or program, which is what we're trying to save.