

BUDGET GAPS AND TAX CAP FACTS

Over the past three years...

- Thirty (30) LHCSS districts have cut almost **\$179 million in programs and eliminated 1,559 staff, costing districts almost \$11 million in unemployment costs.**
- These same districts lost over **\$300 million dollars** in state and federal aid

In order to meet the tax cap threshold, a sample of **32 LHCSS districts** have projected the need to close budget gaps by **almost \$78 million** for the 2012-13 budget year.

The Costs of Unfunded Mandates

- There are over **150 unfunded mandates** equivalent to between 17 to 20% of a district's budget.
- LHCSS school district budgets totaled **\$5.7 BILLION DOLLARS** in 2011-12.
 - **20% reduction in mandates** would yield over **\$1 BILLION dollars** in reduced costs.
 - **10% reduction in mandates** would yield **\$568 million dollars** in reduced costs.
- A sample of six LHCSS Rockland school districts received less than **\$400,000** for four years of RTTT and APPR implementation costs. These same districts estimated that such costs during this period would reach almost **\$10 million.**
- **204** New York State mandates in special education exceed the federal IDEA law.
 - Special education costs have risen by 40% in the last 5 years in New York:
- In Westchester County, the average cost of a **general education** student has risen from **\$10,495 to \$13,800;**
- In Westchester County, the average cost of a **special education** student has risen from **\$27,955 to \$40,000.**
- New York State special education costs have risen from **\$7 to over 10 billion dollars** per year during this same time period.



Lower Hudson Council
of School Superintendents

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MANDATE RELIEF

B U D G E T G A P S
P R O G R A M C U T S
S T A F F E L I M I N A T I O N
R I S I N G U N E M P L O Y M E N T C O S T S
L O S S O F S T A T E & F E D E R A L A I D



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MANDATE CATEGORY



RECOMMENDATIONS



EXAMPLES OF SAVINGS

► **Unfunded and Underfunded Mandate Legislation – Mitigation & Prevention**

- Require a “review” of new mandates that includes a comprehensive cost analysis and the definitive funding source
- Freeze and review all currently proposed and pending mandates

In 2008-09, taxpayers in eight LHCSS districts funded **\$117 million in mandates**; a one-third reduction of these costs would **return \$39 million dollars to taxpayers** and schools.

20% relief in mandates for LHCSS districts in 2011-12 would have yielded **\$1 billion in reduced costs**.

A sample of **six** LHCSS districts estimated that **4 years of expenses** to implement Race to the Top/APPR would cost **\$10 million dollars**.

► **Transportation**

- Fund or reduce mileage limits (**15 to 5 miles**) for private school out-of-district transportation
- Allow consolidation of services under established contracts
- Limit special ed out-of-district transportation when free appropriate education is provided

A sample of 14 LHCSS districts reported a **one-year savings** would be over **\$3.5 million dollars**.

This legislation could yield between **\$500 and \$800 million** for districts in NYS.

A sample of 16 LHCSS districts reported an annual savings of **\$1.5 million dollars**.

► **Fiscal Reform**

- Allow districts to establish TRS Reserve Fund
- Legislate pension reform/TRS contribution restoration (pre-1998)
- Cap/control health care premium costs with a statewide plan and limited employer contributions
- Establish a 55/25 “exit clause” for Tier 3/4 members who are 55 and older (in 2011) to create “entry” opportunities for new Tier 5 & “6” TRS contributors.

TRS Reserve would add to fiscal predictability.

For 2011-12, a single district with 3500 students estimated a **retirement fund contribution increase of \$1.5 million**.

In the average LHCSS school district, health care premium costs are projected to increase by 7.5% in 2012-13. The district will be required to contribute an approximated \$700,000 which is equivalent to almost 1% of the tax levy.

► **Special Education**

- Eliminate mandated class sizes for students with disabilities and resource rooms while maintaining a continuum of services and supports for students
- Amend **Ed Law 3602** that creates entitlement to special education for students parentally placed in private schools (Cap district contributions to out-of-district placements when comparable programs are offered by the district of residence)
- Eliminate the requirement that an individual evaluation includes specific assessments as prescribed by **Ed Law 4402(1)9B(3)(A)**.
- Amend the law (**A.5396-A/S.5972-A; Chapter 583**) that shifted burden of proof from parents to schools and that is counter to 2007 Supreme Court decision

Over the past 4-5 years special education costs in NYS have grown by 40% as a result of unfunded New York State mandates – **7 billion dollars** to over **10 billion dollars** per year during this period.

NYS has 204 special education mandates that exceed federal law.

Savings to average to large-sized districts will be in the millions while the quality of education will be uncompromised.