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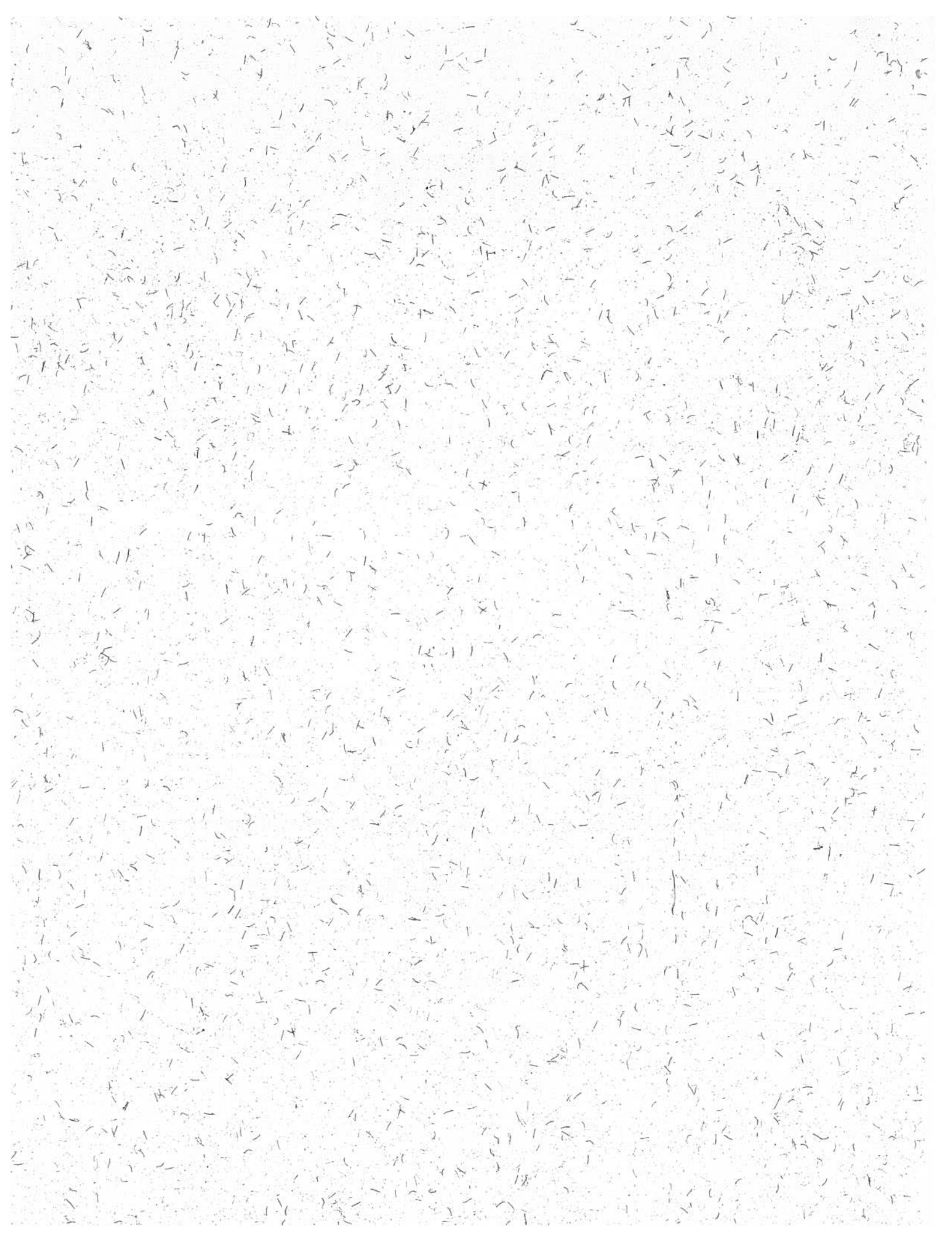
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**CITIZENS' COMMITTEE FOR CHILDREN OF NEW YORK, INC.**

**PRESENTED TO THE  
NEW YORK STATE SENATE FINANCE COMMITTEE  
AND  
NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**REGARDING THE  
NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR  
EDUCATION  
STATE FISCAL YEAR 2014-2015**

**JANUARY 28, 2014**



Good afternoon. My name is Moira Flavin and I am the Policy Associate for Early Education, Education and Youth Services at Citizens' Committee for Children (CCC). CCC is a 70-year-old privately supported, independent, multi-issue child advocacy organization dedicated to ensuring every New York child is healthy, housed, educated and safe.

CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce. For 70 years, CCC has undertaken public policy research, community education and advocacy efforts to draw attention to children and their needs so that we can advance budget, legislative and policy priorities that produce good outcomes for our youngest New Yorkers.

I would like to thank Chairman Farrell and Chairman DeFrancisco and members of the Assembly Ways and Means and Senate Finance Committees for holding today's hearing on the Education-related proposals in the Governor's Executive Budget for State Fiscal Year 2014-2015.

Notably, Governor Cuomo's SFY 2014-2015 Executive Budget is the first budget since SFY 2008 that is not closing a budget deficit. While providing for very limited growth, particularly 2% for state agencies, the budget includes several proposals that if enacted will be very beneficial to the children of New York. The budget includes a modest \$21 million increase to the Child Care Block Grant, a plan to invest in full-day universal pre-kindergarten (\$100 million in SFY 2014-2015), and a plan to begin expanding after-school programs in the 2015-2016 school year.

While CCC believes in fiscal prudence, it is important to note that this Executive Budget proposes \$2 billion in tax relief, mostly to the wealthiest residents and corporations in New York. At the same time, there are reductions to programs for some of the most vulnerable New Yorkers or the failure to create or expand needed programs. CCC was disappointed that the Executive Budget failed to include funding for critical programs and services for children such as: funding to create a new housing subsidy program for homeless families; more funding for runaway and homeless youth services; funding for sexually exploited youth; and funding for post-adoption services for youth adopted from foster care.

Given the state's positive budget outlook, CCC urges the Legislature to negotiate a budget with the Governor that does more to invest in the children of New York. This includes adding at least 20 more Family Court Judges, restoring funding for child abuse prevention services and giving New York City the authority to raise taxes to support UPK for every 4 year old and after-school programs for every middle school student.

Turning specifically to the Executive Budget proposals related to Education, CCC is grateful for Governor Cuomo's continued efforts to strengthen the public education system in New York.

As you know, New York State has maintained high per-pupil spending levels even during difficult economic times, the Governor created the *New* New York Education Reform Commission to make recommendations to improve the quality of education in New York State, and he has already made small investments in community schools and pre-kindergarten. CCC was pleased to see increases in School Aid and to hear the Governor speak about the importance of full-day universal pre-kindergarten for every four-year old as well as after-school programs.

These types of investments in New York's children have been proven to produce positive outcomes. Specifically, children enrolled in high-quality pre-kindergarten programs are more prepared for kindergarten and are then on the path to successful academic careers. These children who will grow up to be more successful are then the future economic engine of our state. We are grateful for the Governor's leadership on these issues, as well as the Legislature's long-term commitment to these types of investments.

Unfortunately, however, as detailed below, the level of funding that the Executive Budget proposes to commit to education, early education and after-school programs, is not sufficient to meet the needs of New York's children.

### **Education Aid**

CCC is pleased that the State FY14-15 Executive Budget includes an increase of \$807 million in education aid for the 2014-2015 school year, or 3.8%. This includes \$603 million for School Aid,<sup>1</sup> \$100 million for an expansion of full-day pre-kindergarten, and \$25 million for performance programs.

While increasing Education Aid and State Aid is a critical step in the right direction, we are disappointed that the level of support was not higher. Specifically, last year, the increase was 4.9%, over \$900 million. The \$603 million proposed increase in formula-based School Aid is not sufficient enough to continue the state's commitment to ensuring all New York State students receive a quality education.

In fact, since 2009, the state has not met its court-ordered obligation to school districts throughout the state under the Campaign for Fiscal Equity lawsuit. The Court of Appeals found that the State had an obligation to increase school aid in order to provide "sound basic education." According to the Mayor of New York City, "in the next school year alone, New York City public school students will be shortchanged some \$2.7 billion in state education funds."<sup>2</sup> Thus, the Executive Budget proposal regarding education aid is woefully short of the state's court-ordered obligation to New York's children.

Investing in the education system now is more important than ever as New York implements the Common Core Standards. **Thus, while CCC appreciates that the increase will be targeted to high-need districts, we urge the Legislature and the Governor to work together to enact a budget that increases the state's investment in School Aid.**

### **Universal Pre-Kindergarten and After-School Programs**

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<sup>1</sup>As per the Description of 2014-2015 *New York State Executive Budget Recommendations for Elementary and Secondary Education*, Education Unit, New York State Division of the Budget. January 2014.

<http://publications.budget.ny.gov/eBudget1415/fy1415localities/schoolaid/1415schoolaid.pdf>

Please note that the budget summary references \$682 million in School Aid (page 30) and \$608 million in formula based School Aid (page 31). These amounts are also insufficient.

<sup>2</sup>Testimony of Mayor de Blasio 2014-2015 State Executive Budget, January 27, 2014.

Governor Cuomo has proposed to increase state funding for both full-day universal pre-kindergarten (UPK) and after-school programs. Specifically, he has proposed to incrementally increase UPK by \$100 million each of the next five fiscal years (\$100 million in SFY 14-15 up to \$500 million in SFY 18-19) and after-school programs by \$720 million over five years (starting with \$160 million in the 2015-2016 school year). CCC is grateful for the Governor's recognition of the importance of these programs, as well as the investments that he proposes the State make. CCC agrees that every 4-year old child in New York should have access to a high-quality full-day universal pre-kindergarten program and every public school student should have access to a high quality after-school program.

While we support these proposed increases in the state's commitment to full-day UPK and after-school programs statewide, the funding levels proposed are not sufficient. Currently, almost all state UPK funding is limited to ½ day UPK. Expansion to full-day for every 4-year old statewide will not only cost more than the \$100 million allocated in SFY 2014-2015 but also the \$500 million envisioned in five years. In fact, in New York City alone it will cost \$340 million for the expansion. Currently, fewer than 27% of 4 year-olds in New York City have access to full-day UPK.

In addition to the inadequacy of the amount of funding, we have concerns about from where the Executive Budget proposes to take funding for UPK and after-school programs. Notably, we are concerned that the proposed funding is resources that were intended to be used for education. Notably, as discussed previously the proposed increase in School Aid is significantly less than education advocates had envisioned for the SFY 2014-2015 budget and much less than what is owed based on the CFE lawsuit. In addition, the Governor proposes to use revenue from the new casinos to fund the new after-school programs. The ballot measure approved by voters stated that this funding was for "the purposes of promoting job growth, increasing aid to schools, and permitting governments to lower taxes." While resources for after-school programs are sorely needed throughout the state, it is imperative that programs be funded with new resources and not resources previously earmarked for other children's services.

CCC is also concerned that the Governor's after-school plan would allocate all of the new resources to school districts. Currently, both schools and community-based programs provide high-quality after-school programs and we believe that CBOs are an important and critical part of the system. Thus, we urge the Legislature to work with the Governor to ensure that any new money for after-school programs be able to be appropriated to both school districts and CBOs. (It should be noted that this is the current law for UPK, which states a minimum of 10% of the funding must be used for UPK in CBOs.)

**Finally, in addition to the additional state investments in UPK and after-school programs, we need the Legislature to give New York City the authority for a modest tax increase on the City's highest earners making over \$500,000, which would provide enough funding for all NYC 4-year olds to have access to full-day UPK and all NYC middle-schoolers to have access to after-school programs this upcoming school year.**

As Mayor de Blasio said in his testimony before the Legislature, "It's an idea that every public opinion poll—and also the results of last November's elections- show has overwhelming backing

from the people of New York City. It's one where the city's right to self-determination- to setting and carrying our own priorities- ought to be honored in Albany."<sup>3</sup> **CCC also believes that it is imperative that the state not stand in the way of the will of the people in New York City who are firmly behind the Mayor's plan.**

### **Smart Schools Bond Initiative**

We urge you to support the Executive Budget proposal for a \$2 billion general obligation bond act, which would be a ballot measure in November 2014. The Smart Schools Bond would fund infrastructure enhancements in schools, such as computer, tablets, and high speed broadband, as well as help to fund the construction of new pre-kindergarten classroom space.

Technology plays an important role in helping students graduate prepared for college and career. Further, we support the use of these funds for the construction of new pre-kindergarten classroom space, critical to making pre-k truly universal in New York State.

### **Common Core Implementation and Ban on Standardized Testing for Students in Grades K-2**

CCC appreciates the Governor's proposal to form a panel of education experts and legislators to review the implementation of the Common Core Standards in New York State. CCC supports the Common Core, as we believe that all students should have the knowledge and skills to succeed after high school graduation. That said, we also believe that teachers must be properly trained and supported and students must receive the guidance they need in order to achieve these higher standards. With a statewide graduation rate of 74%,<sup>4</sup> there is much work to be done to ensure that all students graduate fully prepared for college and careers.

While we appreciate the plan for review, we believe that steps must be taken this coming school year, as the Common Core is already being implemented and students are already being tested according to the new standards. Teachers and school leaders must receive appropriate professional development on the Common Core, and schools must have sufficient, quality instructional materials aligned to the Common Core. We urge the New York State Legislature and Governor to work together to pass a budget that includes a greater investment in support for teachers and schools as the state moves forward with Common Core implementation, to ensure all schools in New York State are equipped to help students reach high standards.

CCC also supports the proposed ban on standardized testing for students in grades K-2, except for diagnostic purposes. We feel that tests have a role in assessing children's academic and developmental needs, but should not be used excessively. Consideration should be given to other measures of teacher effectiveness for the purposes of the APPR for teachers in grades K-2.

### **Preschool Special Education**

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<sup>3</sup>Mayor de Blasio's Testimony on the 2014-2015 State Executive Budget, January 27, 2014.

<sup>4</sup>See New York State Education Department's release of graduation rate data for the 2008 cohort, June 2013. <http://www.p12.nysed.gov/irs/pressRelease/20130617/home.html>

Providing high-quality pre-school special education services is critical to intervening early for young children, often setting them on a path to better outcomes and reducing costs later in their educational careers. The use of special education itinerant teachers (SEIT) is a key strategy for enabling special education children to be in inclusive settings, such as UPK and Head Start classrooms.

Currently, rates for special education itinerant teacher (SEIT) services vary widely throughout New York State. In some instances these rates are very high, and in many instances are not logical or cost-efficient. For example, in some instances the high salary for SEIT teachers has even led some special education teachers to leave center-based work for the SEIT program to earn more money. Thus, CCC is supportive of state efforts to rationalize the rates for SEIT providers.

While CCC supports the proposal in the Executive Budget to allow the New York State Education Department to set regional rates for SEIT providers, these rates must be sufficient to ensure the provision of high quality services. The rate must include the costs of supervision, training, paying certified special education teachers to travel to preschools and include an annual cost of living adjustment. **We urge the Legislature to include these requirements in the Article VII bill to ensure the regional rates set by SED are in fact sufficient.**

CCC has additional concerns about the Executive Budget's other two proposals regarding the SEIT program. First, while we recognize that preschool special education costs in New York City are growing faster than in the rest of the state, we do not want the state to give the city the authority to set its own rates with providers that are equal to or lower than the regional rate set by the state for NYC. We are concerned that this authority, and ability to RFP for SEIT services in New York City, would lead to the lowest cost providers being charged with providing SEIT services. We do not want these services provided by the lowest bidder, as high quality is critical. **We therefore, urge the Legislature to modify the Executive Budget proposal so that NYC would also be subject to regional rate setting in the manner described above.**

Finally, the Executive Budget proposes to pay SEIT providers based on a preschoolers' actual attendance. While we support the concept of paying for services rendered, this system needs to remain tuition-based. Preschoolers, particularly those with special needs, have absences from preschool. SEIT providers typically accept an assignment to be at certain schools/centers on certain days of the week. If a child is absent, the provider will not be able to accept an alternative assignment. We do not reduce the pay of any other teacher when a child is absent and should not do so for SEIT teachers. Furthermore, adoption of this policy would likely leave the most vulnerable children who often need the services most (children with health conditions, homeless children, children in foster care), etc. with trouble accessing SEIT services due to their likelihood of having absences. **Thus, CCC urges the Legislature to reject the Executive Budget proposal to only pay SEIT providers for services rendered.**

### **Special Education**

CCC appreciates the focus on mandate relief in the SFY '14-15 Executive Budget. However, we **urge you to reject the proposal to create a new waiver process that would allow school**

**districts to petition the State Education Department for flexibility from state special education requirements.**

There are provisions in New York State law (above and beyond federal law), which afford important protections for children and families receiving special education services and we do not want localities to be able to waive out of these protections. For example, New York State law requires that if a child's multi-disciplinary team proposes a change to the child's IEP without holding a meeting, that the team provide the parent with a copy of the written proposal and the opportunity to consult with the appropriate personnel or related service providers concerning the proposed changes. There is no federal equivalent to this law. Another example is the New York State requirement establishing the process for a school psychologist to determine the need for an individual evaluation, and calling for a written report when such an evaluation is not deemed necessary as part of an initial evaluation for special education. There is no comparable federal requirement. New York State law also has important provisions governing the size of co-taught classes and other standards for special education instruction, such as the size of caseloads and student groupings. These provisions also have no federal equivalent.<sup>5</sup>

Thus, allowing districts to waive state requirements would erode important safeguards in place for children with special needs and their families.

### **Contract for Excellence Program**

CCC is pleased that the SFY '14-15 Executive Budget maintains funding for the Contract for Excellence Program (C4E) so at least 15 school districts, including the Big Five, will be able to continue to participate. This program provides support for important initiatives related to teacher and principal quality, time on task (which includes supplemental before or after-school activities), middle and high school restructuring, class size reduction, and programming for English language learners. Furthermore, C4E targets this support to high-need students in addition to supporting district-wide initiatives. The funding is important for ensuring that all New York students receive a quality education.

### **Teacher Excellence Fund**

CCC strongly believes that all children deserve a quality education that prepares them for college and career, and research shows that quality instruction plays a large role. In 2012, the *New York Times* reported on the release of a study by economists at Harvard and Columbia that tracked 2.5 million students over 20 years and showed that elementary- and middle-school teachers who help raise their students' standardized-test scores seem to have a wide-ranging, lasting positive effect on those students' lives beyond academics, including lower teenage-pregnancy rates, greater college matriculation and adult earning.<sup>6</sup>

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<sup>5</sup>See New York State Law, Regulations and Policy Not Required by Federal Law/Regulation/Policy, revised May 2012 <http://www.p12.nysed.gov/specialed/idea/608analysischart-May2012.pdf>

<sup>6</sup>See "Big Study Links Good Teachers to Lasting Gain." *New York Times*. January 6, 2012. <http://www.nytimes.com/2012/01/06/education/big-study-links-good-teachers-to-lasting-gain.html?pagewanted=all>



The SFY'14-15 Executive Budget proposes to allocate \$20 million for incentive pay for teachers rated "Highly Effective" under the APPR. Teachers would be eligible to receive up to \$20,000 in additional annual compensation from the Teacher Excellence Fund. Teacher incentive programs are popular and have been used elsewhere. Yet, CCC would caution that research on their effectiveness is mixed. For example, Massachusetts and North Carolina implemented salary incentive programs to attract teachers to struggling schools. While the increased pay had some success in initially drawing teachers to these schools, the incentives did little to compensate for the lack of support teachers received once they began teaching at some of the schools.<sup>7</sup> In New York City, researchers found that the a merit pay program did not improve student achievement at any grade level, did not affect school progress reports, and did not affect teachers' reported attitudes or perceptions about their jobs, or their reported teaching practices.<sup>8</sup> Furthermore, research demonstrates that supporting teachers is often critical to retaining them and ensuring success in the classroom. Becoming a better teacher and seeing students learn were stronger motivators than bonuses.<sup>9</sup> As noted above, CCC strongly supports a budget that commits resources to supporting students and teachers and urges the Legislature and the Governor to work together to invest in professional development statewide.

### **School Safety and Anti-Discrimination Measures**

All New York students should be able to attend school without fear of discrimination or harassment. A safe school environment fosters learning and helps students achieve success, and clear protocols for school leaders and state officials must be in place to respond to patterns of bullying, taunting, or intimidation. As such, CCC supports the proposed efforts to strengthen reporting, investigation, and intervention requirements for both school and state officials under the Dignity in Schools Act, as well as extending anti-discrimination protections to students attending public schools.

### **Promoting Savings for Higher Education**

During his State of the State address, Governor Cuomo asserted that "the best long term economic development strategy [for New York State] is to have the best education system in the world." We agree with the Governor, and believe access to quality education from a young age is critical for the financial security of New York's citizens and our state in general. However, this goal cannot be achieved if New York's children are unable to continue their education beyond high school. Unfortunately the growing cost of higher education is prohibitively expensive for too many students. The state should therefore assist families in their efforts to save for their children's higher education, so that more New Yorkers are able to attend, and ultimately graduate from, college.

We believe that New York State can take measures to assist families save for their children's college education without incurring expense to the state. In short, this can be done by allowing

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<sup>7</sup>David, J. (2008) Teacher recruitment incentives. *Educational Leadership*. Volume 65, Number 7. <http://www.ascd.org/publications/educational-leadership/apr08/vol65/num07/Teacher-Recruitment-Incentives.aspx>

<sup>8</sup>What New York City's Experiment with Schoolwide Performance Bonuses Tells Us about Pay for Performance. Rand, 2011. [http://www.rand.org/pubs/research\\_briefs/RB9596.html](http://www.rand.org/pubs/research_briefs/RB9596.html)

<sup>9</sup>Ibid.

families to be able to split their state tax refunds into more than one account, including a 529-college savings account.

Specifically, we urge the Legislature to work with the Governor to enact a budget that 1) amends the State Tax Code so that tax filers are permitted to split their state tax refunds and deposit them in multiple accounts; 2) allow and encourage families to direct portions of their split refund into New York's 529 college savings program or other savings vehicles; and 3) exclude 529 accounts from asset limit tests to determine a family's eligibility for Public Assistance, so that low-income New Yorkers are not discouraged from their attempts to save for their children's college education.

Giving families the ability to split their tax refunds and save a portion in a 529 college savings account is good public policy grounded in asset development research. It leverages the critical tax time moment, which is recognized as an ideal time to help all families save for their goals. This is particularly valuable for low-income families receiving the Earned Income Tax Credit (EITC) making tax time perhaps the only time of the year when such a family would have funds to invest.

Most importantly, studies show that having even a small amount of college savings can foster a child's college-bound identity, and can make the reality of his or her going to college a priority in his or her household.

### **Conclusion**

After so many years of dismal budgets resulting in cuts to programs that have led to negative impacts on children and families, New York State is now poised to be able to pass a budget that will have a positive impact on the well-being of New York's children and families. We urge you to enact a budget that ensures New York's children are healthy, housed, educated and safe.

Thank you for this opportunity to testify.