



**Testimony on the
2017-18 Executive Budget Proposal
Joint Legislative Budget Committee**

Mayor Mike Spano
City of Yonkers

Monday, January 30, 2017

Good afternoon, Chairwoman Young, Chairman Farrell, members of the Senate and Assembly, particularly my friends and former colleagues, and our Yonkers Delegation, Senate Democratic Leader Andrea Stewart-Cousins, Senator George Latimer, Assemblywoman Shelley Mayer and Assemblyman Gary Pretlow.

Thank you for welcoming me.

Moving our Schools Forward

Over the last five years, Yonkers has demonstrated that we can meet our challenges head on – and come out better for it.

I'd like to start with a subject that is front and center in this year's proposed budget from the Governor – shared services. Shared services is not a new concept for the City of Yonkers. In fact, we have demonstrated that we are a leader.

Four years ago, with the support of legislation enacted by the State Legislature, Yonkers consolidated the non-academic functions of the Yonkers School District with those of City Hall. Rather than have two law departments, we now share one. Rather than have two finance departments, we now share one. The list goes on.

We made those consolidations when we discovered a budget error that left a \$55 million gap, which was closed by a combination of additional aid as well as combining City and School District administrative departments.

We worked together in partnership with the support of Governor Cuomo and the Legislature that led to a plan that ultimately prevented us from hundreds of layoffs and cuts to services for our students.

We were the first city and school district outside of New York City to consolidate, and it's been a great success. I believe Yonkers is a model for other municipalities across the State.

As Governor Cuomo recently proposed in his State of the State, shared services makes sense so we can relieve taxpayers of undue costs on repetitive and duplicative services. In Yonkers, we relieved the Board of Education of \$9 million and now have opened lines of communications and procedures that were once closed and non-transparent. It's working in Yonkers and I believe it could work across the state.

I also applaud the Governor's proposal to relieve the state's middle class by providing free tuition to those who attend New York state colleges. I firmly believe education should be for all, and if we can do our best to close the gap amongst our working families to provide the advanced education now necessary to succeed in today's world, let's work together to get it done.

In the past, I have sat here and said that despite the financial challenges that our school district faces, our students succeed. Our graduation rates are continually improving. Over the last five years, our graduation rates have improved by 10%, which is the highest among the Big 5.

This year, in his Executive Budget, Governor Cuomo proposed an increase in education foundation aid and community school funding, with an additional \$6.3 million to Yonkers Public Schools; it's a great start and we are thankful for it.

And while we take pride in what we've accomplished, we can't ignore staggering statistics that still confront us. Despite a graduation rate of approximately 80%, we also know that of the many Yonkers students who go on to college, many of them never enjoy the pride and accomplishment of graduating with an associate's degree, let alone a four year degree. In fact, research in Yonkers shows that it takes an average of six years for a Yonkers Public School student to complete a two-year program. Why is that?

One reason is that many of these students are not as prepared to start a college program as they could be. They spend their first year taking extra classes just to get to college entry levels. These young men and women grow tired, frustrated and many times can't afford the growing costs of tuition, and subsequently drop out.

In Yonkers, we recently accepted President Obama's My Brother's Keeper challenge as just one method to combat this growing problem. By enlisting our community-based organizations and providing a cradle to career model that has distinct and measured milestones, we look to motivate our students and prepare them for life.

But we need more resources to combat this issue and so many other necessary tools and services for our students.

The Governor's \$1 billion increase in overall New York education funding is very much appreciated, but it barely begins to address the problems.

Here are some of the challenges Yonkers faces:

Students with limited English proficiency and students with disabilities enrollment is growing rapidly. More than 17% of students have disabilities; 12% are English Language Learners. We need the staff and services to meet their needs.

Yonkers Schools need additional resources to expand enrichment programs like art, music and sports. We have one art teacher for every 633 students and one music teacher for every 831 students.

Our schools have a library shortage. Because of growing enrollment, many of our libraries have been converted into classrooms. The librarian-to-student ratio is 2,660:1.

We have too few guidance counselors. The current ratio is 739 students to 1 counselor.

Other pupil support services have taken a big hit. The school psychologist ratio is 1,064:1 and the social worker ratio is 2,046:1.

As I said, the Yonkers school district is doing remarkably well considering the lack of resources. Our high school graduation rate is improving and is the best of the Big 5, but it pales in comparison to the suburban districts that surround us – 97% in Scarsdale, 98% in Eastchester and 99% in Bronxville public schools.

How can we begin to level the playing field? It starts with providing Yonkers students with some of the basic instructional and pupil support services that our neighbors enjoy.

This year, as I have in years past, I am asking the Legislature and the Governor to consider the extraordinary needs of Yonkers Public Schools and provide our district with the additional resources our children so deservingly need.

Rebuild Yonkers Schools

We also need to revisit the environment in which our students learn.

Last year, I came here and spoke to you about the physical conditions of our schools. I outlined for you the deplorable environments in which many of our students are required to learn. I told you that our schools are 4,500 seats over capacity for a district of 27,000 students; that nine of our schools are over 100 years old; that our children are forced to learn in converted basements and cafeterias; that many of our libraries no longer function as they were intended because they are being used as classroom space due to overcrowding.

Simply put: there continues to be a capacity and infrastructure crisis in Yonkers Public Schools.

After many meetings with you, your staffs, the governor and his staff, you began to realize the crisis and passed the Yonkers Joint Schools Construction Bill at the end of last year's legislative session. I can't thank you enough for that – for the first step in a 13-year proposal to Rebuild Yonkers Schools.

But, I have to be very clear here. What we accomplished last year is just the beginning in what is essential in seeing our needs met. You provided us the meal without the utensils; or the framing for a house without the hammer and nails to make it stand.

We proposed an overall \$2 billion project with a first phase of the plan that would build three new schools and repair our aging schools. How do we get there? How do we afford it?

The New York State Legislature did the right thing for Buffalo, Rochester and Syracuse by approving and funding their school reconstruction plans in recent years. They had desperate needs and the state rightfully supported those needs.

I know I may sound redundant, but it's Yonkers' turn.

Let's look at the numbers:

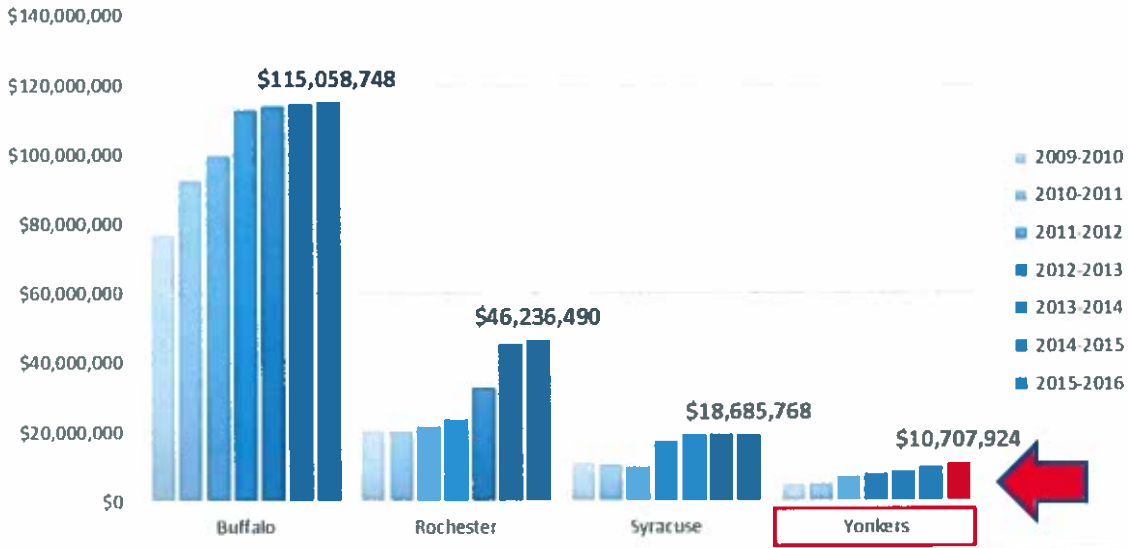
According to the New York State Education Department, New York State in 2015/16 provided:

Buffalo - \$115 million in total school building aid;
Rochester - \$46 million in total school building aid;
Syracuse - \$18 million in total school building aid

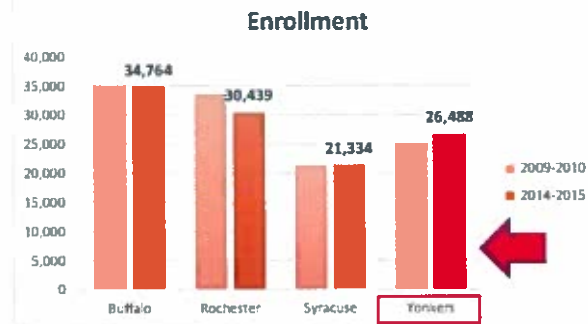
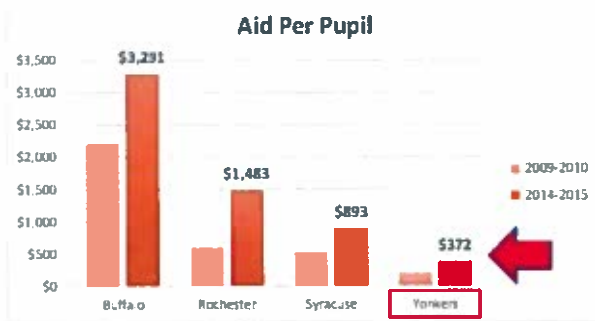
And Yonkers? -- just \$10.7 million in school building aid. That comes out to just \$372 per pupil in Yonkers while the other big cities are receiving anywhere between \$900 to \$3,000 per student, depending on the

district. Meanwhile, Yonkers is the only district that has seen increased enrollment over the last five years while the others remain flat or are decreasing. Yonkers is clearly at a disadvantage.

Total Building Aid



DISTRICT	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Buffalo	\$77,072,214	\$92,661,570	\$99,721,146	\$112,666,783	\$114,040,136	\$114,400,654	\$115,058,748
Rochester	\$20,358,104	\$20,263,526	\$21,615,539	\$23,618,443	\$32,673,156	\$45,129,067	\$46,236,490
Syracuse	\$11,191,600	\$10,632,713	\$9,619,050	\$17,101,143	\$18,978,499	\$19,048,735	\$18,685,768
Yonkers	\$4,993,346	\$5,039,857	\$6,924,756	\$7,802,816	\$8,302,978	\$9,866,038	\$10,707,924
Grand Total	\$113,615,264	\$128,597,666	\$137,880,491	\$161,189,185	\$173,994,769	\$188,444,494	\$190,688,930



Based on SAMS and BEDS Reports (NYSED.gov)

Currently, the State Education Department (SED) utilizes multi-year cost allowances when calculating building aid for eligible capital projects at school facilities, such as improvements for classrooms, structural features and mechanical elements. Projects that relate to hallways, offices, resource rooms, building service areas and common space, however, are generally not eligible for aid. So while Yonkers' current building aid ratio stands at 70%, already far lower than its sister cities upstate, it actually drops

to just 55% when considering only some of the projects planned in Phase I of the program are eligible for aid within the maximum cost allowance. Once a school district has reached its maximum cost allowance (MCA) for a particular project, additional state contribution is not available for a period of five years. This particular limitation would have an adverse impact on the efficient execution of the Yonkers joint schools board projects, increase the costs of these projects, restrict the use of limited resources and unnecessarily disrupt the academic process.

When applied to large new school construction projects such as those planned for Phase I, utilizing a single MCA greatly limits the district's access to the level of capital needed within this five year period to get started. Recognizing the immediate need to build new schools, one of the tools I am seeking from the Legislature this session would be the authorization of what's known as a "Double Maximum Cost Allowance" (or "double MCA").

If a double MCA were to be authorized, the District could receive these two cost-allowances within the first five year period, rather than over a 10 year period, thus significantly reducing the local cost burden and expediting the construction period so that our students can get into their new classrooms as quickly as possible.

The Legislature has a proven track record in making this work elsewhere, recently authorizing a double MCA for the City of Rochester for its school rebuilding program. Even with an approved double MCA for Phase I school construction, Yonkers state aid ratio would still only stand effectively at 70%, again, far lower than the ratios of over 90 percent enjoyed by Buffalo, Rochester and Syracuse. But it would provide the jump start needed to begin building the bright, new school facilities our students desperately need and deserve.

Understand that Double MCA does not double the allowance that Yonkers receives; merely that we receive the aid in five years that we could receive by right in 10 years. The State will pay the same amount ultimately. In fact, because construction is not phased it will actually cost less because swing space for a second time will not be required and inflation due to delayed construction will be avoided. Finally, completing a project in five years rather than two projects in 10 years will be less disruptive to the student's educational environment.

I also will be requesting an increase in the aid ratio for the Yonkers Schools Modernization Program from the 70% referenced above to 98% of approved costs. This 98% ratio is the same ratio as has been received by Buffalo, Rochester and Syracuse Schools Districts for their schools upgrade programs. Unless this provision for State aid is authorized for the contemplated Yonkers Schools Modernization Program, the local share of costs to finance the Program is beyond the resources of the City of Yonkers and would place an excessive burden on its taxpayers.

Aid Ratio for Phase I to Rebuild Yonkers Schools

	SHARE	DOUBLE MCA
70%		
State Share	\$287,534,450	\$366,287,600
Local share	\$235,733,55	\$156,980,400
State %	55%	70%
Local %	45%	30%
98%		
State Share	\$402,548,230	\$512,802,640
Local share	\$120,719,770	\$10,465,360
State %	77%	98%
Local %	23%	2%

This is a big undertaking – we realize that. But we started our campaign last year to move this forward and you recognized the need by authorizing a school construction board. We have the support of our community, galvanizing students, teachers, administrators, parents and community-based organizations and have educated them on our needs as a District. My hope today is that you too understand our greater needs and help provide us the tools needed to rebuild our schools. You provided us with the blueprints last year, this year we ask for the bricks and mortar.

Working with our local delegation, I am asking the Legislature to fund a school reconstruction program for Yonkers Public Schools, similar to what was passed for Buffalo, Rochester and Syracuse. Our students cannot wait. Our students deserve better. It is time to rebuild Yonkers schools.

City/State Partnership

We've touched upon the needs of our schools, but we also must not neglect the costs of running the largest city in the Hudson Valley.

Over the last few years I've spoken of the partnership that has long existed between the State of New York and its cities. It is the recognition that cities alone cannot care for their dependent populations; that cities alone cannot repair their aging infrastructure; that everyone – upstate and downstate – has a stake in the success of our cities.

It starts with AIM. Over the years, municipalities have taken a big hit when it comes to AIM funding.

In 2008, Yonkers received \$112.7 million in AIM aid. Unfortunately, that's not what is proposed in the 2018 Executive Budget for Yonkers. Instead, we expect to receive \$108.2 million in municipal aid – and it's been this same amount we have received for the last several years. And that's \$4.5 million less than fiscal year 2008.

We also must remember that 45% of Yonkers Public School District's budget is supported by Yonkers' municipal contribution, along with the revenues of our local sales tax. We are happy to do so and are appreciative that you provided the legislation for us to allocate the sales tax for our schools. But let's compare this with our sister cities. They allocate less than 20% to their school districts because each one receives significantly more state aid. Simple math: Yonkers is contributing more to its schools but receiving less from New York State to help fund those schools as compared to our sister cities.

Once again, AIM aid is flat this year, even as the cost of everything for the City of Yonkers has gone up:

- Health, life and dental insurance – up 54% over the last ten years
- Workers' compensation – up 98% over the last ten years
- Employee Retirement System – up 100% over the last ten years
- Police/Fire Retirement System – up 54% over the last ten years

You also know in Yonkers we have a personal income tax – a revenue driver that we depend on each year. Yonkers collected \$50.8 million in 2016 in revenue from this tax, as compared to \$32.4 million in 2008. In addition our residents pay a state income tax, just as all New Yorkers do. That state income tax has also grown, yet the AIM funding that comes back to us has remained flat. Yonkers is providing more money to the state each year, on the back of our taxpayers, yet, our municipal aid from the state remains the same as it was nine years ago. We are giving more and receiving less. Something must change.

During my tenure as Mayor, we have settled long-overdue contracts with all eight municipal labor unions. And just recently we settled a contract with our Yonkers teachers and administrators. This all comes with a cost. Settling these contracts is costing our taxpayers \$98.5 million through fiscal year 2018.

In the face of flat AIM funding and rising costs, what are our options?

Cutting services is certainly not the answer. From schools to local services to federal funding, Yonkers has been hit hard by cuts over the years, and we're only now just starting to come back.

Over the last five years of my Administration, we've seen historic drops in crime. We have stronger relations with our community than ever before. Is now the time to cut our public safety force and initiatives in the wake of our national climate?

Last year, we had to condemn our downtown firehouse due to unsafe living and working conditions for our Yonkers firefighters. Do we forgo another year without an operating firehouse in the most densely populated area of our city because we just can't afford it? Simple answer is we can't afford NOT to do it, for public safety reasons alone. But it practically empties our pockets.

Our Yonkers Avenue Public Pool, which dates back to 1909 and is listed on the National Register of Historic Places, is in a state of total disrepair. In December 2016, the US Consumer Product Safety Commission inspected the facility and is requiring the city to make over \$600,000 in repairs. We have closed the pool to date and now need to decide whether we should invest in this aging landmark that our seniors often utilize or draw from funds elsewhere to save the facility.

Community Development Block Grants (CDBG), which fund important services from daycares to afterschool programs to food pantries, have been cut nearly 26% over the last 15 years. With the new administration in Washington, we are all uncertain if that funding will continue to be cut and affect the organizations that are the life-blood of our communities.

I don't want to paint a doom and gloom portrait for you of what Yonkers is, by any means. In fact, despite these challenges, there is so much to be proud of right now. Over the last five years, we have had over \$1 billion in private investment in our economic development. Investors are recognizing that Yonkers, in all four corners of the city, has a lot to offer for those who want a quality place to live, work and play. We have nearly 4,000 units being built as we speak, just in the downtown alone. We are attracting millennials, artists, restaurateurs, more hotels and more businesses.

Yonkers is going through a true transformation – becoming a destination for the region. Families are enjoying and travelling to Yonkers indoor skydiving facility, IFly and Legoland as well as having fun at Empire City Casino.

We want nothing more for these investors then to create an infrastructure for them that is safe, clean and enticing for their customers and tenants.

Throughout our history, Yonkers has been defined by its location and infrastructure, especially our connection to convenient transportation. Today, ships transport sugar to and from Yonkers' waterfront Domino Sugar Refinery, Kawasaki Rail Car builds the region's trains in Yonkers, ten Metro North Railroad stations serve our city and five major highways connect Yonkers with the New York City, the Hudson Valley and beyond.

Infrastructure defined our past and it's the key to our future. Police stations, fire houses, bridges, public pools, libraries, parks, community centers – the very things that make up the fabric of our community – but they are aging. They all need to be upgraded.

Investing in these capital projects will help move people and goods across our city better, especially to our growing downtown.

Rebuilding them would not only improve our quality of life, it would improve the economy and create good jobs.

AIM was created to help offset the costs that are unique to cities – the cost of caring for dependent populations, homeless populations and so many others that have come to rely on the cities.

Ultimately, we are doing more work with the same sized workforce, that costs us \$108 million more than it did 10 years ago, yet our AIM is down \$4.5 million than it was 10 years ago.

Now is the time to increase AIM funding and to revive the partnership between the State and the cities.

Moving Yonkers Forward

Yonkers has come a long way in the last five years. Yonkers is a city on the move. We are a city that people move to rather than move from, with hundreds upon hundreds of new homes under

construction. We are a city that is gaining jobs rather than losing them, as a billion dollars in private investment has resulted in hundreds of new permanent jobs.

We've improved the fiscal management of our city and today Yonkers' bond ratings are the highest they've been in a generation. Graduation rates are up, crime is down and people are starting to change the way they talk about Yonkers.

I know that working together, with our great Governor Andrew Cuomo, legislative leaders and our Yonkers delegation, we will to move Yonkers forward.

Thank you.

