



NEW YORK STATE SENATOR

Jeffrey D. Klein

IDC Releases School Mandate Relief Plan

JEFFREY D. KLEIN July 7, 2011

| ISSUE: **EDUCATION**

Regional Collective Bargaining among measures to lower costs, preserve educational quality

The Independent Democratic Conference today introduced a mandate relief package that will help schools reduce costs, maintain educational quality and ultimately help with the implementation of a tax cap.

"Mandate relief is a key component of the Independent Democratic Conference's plans to reduce the tax burden on New Yorkers," said Senator David J. Valesky, (D-Oneida), said. "If we are asking school districts to reduce spending, it only makes sense to provide them with tools to maximize efficiency and minimize the pressure caused by unfunded state mandates."

The IDC previously released a mandate relief package for local governments.

This legislative package includes:

- **Allowing Regional Collective Bargaining**

Currently, each of the nearly 700 school districts in New York separately negotiate their own collective bargaining agreements. This is despite the fact that teachers, and some other employees, are organized at the state level. The IDC is

introducing legislation that will level the playing field. It will create a voluntary system to allow neighboring districts to band together, share information better and jointly negotiate future contracts that will end up saving taxpayer money.

- **Giving New Flexibility in Purchasing Contracts**

New York is currently one of only three states that do not allow cooperative contract use. Allowing schools and local municipalities to join out-of-state and national procurement cooperatives has proven successful in other states and has led to significant cost savings. The IDC has introduced legislation (S.624) to give school districts and local governmental entities the ability to consider favorable contractual purchasing conditions outside New York State and to "piggy-back" on to those contracts. Cooperative contracts provide a 10 to 15 percent cost savings per contract. Reform of these purchasing rules has the ability to save New York taxpayers \$2 billion per-year, according to the New York State School Board Association.

- **Freeing Up Excess Reserve Funds**

A 2008 audit by the State Comptroller's Office found that school districts have collected as much as \$407 million more than was needed for their Employee Benefit Accrued Liability Reserve funds. These funds, used to pay employees for accrued leave time due to them when they leave district employment, currently have restrictions placed on them that prohibit even excess money from being used for other purposes. The IDC has introduced legislation, (S.1524), that would allow districts with excess funds in their EBALR accounts to use those funds to help support schools and lower the tax levy. The IDC recommends that, if this measure becomes law, these excess funds be used to pay one-time expenses – such as capital projects --- pay off debt, or finance other post-employment benefits that would provide taxpayers relief today and reduce future costs.

- **Breaking Down Barriers to Share Services and Consolidate Healthcare Initiatives**

The IDC has introduced legislation (S.2843) that streamlines the process for schools and other local governments to join together to consolidate administration and healthcare administration operations. These efforts would cut down on duplicative services, increase purchasing power in order to drive down costs, and allow schools access to the Healthy NY program. On average, Healthy NY is 7 percent cheaper than other health insurance products.

“This package is a road map that will help control costs, maintain our educational system, and, with a tax cap, make sure we live within our means,” Senator Jeffrey D. Klein, (D-Bronx/ Westchester), said. “I am looking forward to working with the rest of the Independent Democratic Conference and our partners in government to build bi-partisan support for this critically important legislation.”

Additionally, the IDC makes the following recommendations to the Governor's Mandate Relief Design Team:

- Enforce current laws that allow school districts to be customers of the New York Power Authority, making them eligible for lower energy-related costs. Currently, not all districts who seek this benefit are receiving them.
- Return curriculum decisions to local districts.
- Revamp the Payment In Lieu of Taxes process to ensure that any PILOT agreement includes an equitable payment to the local school district.

Dr. Marilyn C. Terranova, Superintendent of the Eastchester School District, said: "I am very pleased that Senator Klein and the Independent Democratic Conference is focusing his legislative agenda on mandate relief efforts. These outcomes will not only go a long way in providing educational leaders the maximum flexibility needed to meet 21st century standards for children but should also allow our taxpayers needed tax relief. I look forward to his continued efforts to provide the children of New York State the best education possible.

Dr. Michael Yazurlo, Superintendent Tuckahoe School District, said: "Unfunded mandates are irresponsible acts of those who don't have to do the work. I fully support these effort to provide relief from these mandates to school districts and taxpayers."

Anthony Buonocore, President, Tuckahoe Board of Education: "Unfunded mandates are siphoning dollars from instructional programs. We look forward to Senator Jeff Klein's proposals eliminating this burden."