



YONKERS PUBLIC SCHOOLS



*“Achieving Excellence Together”*

# Testimony Before Joint Legislative Budget Committee

**February 15, 2011**

Presented By:

**Bernard P. Pierorazio**  
Superintendent of Schools  
Yonkers Public Schools

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**Joseph J. Bracchitta**  
Chief Administrative Officer  
Yonkers Public Schools

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**Superintendent of Schools**  
**Joint Legislative Budget Committee**

Good morning. I am Bernard Pierorazio, Superintendent of Yonkers Public Schools.

I would like to thank you for the opportunity to address this committee on behalf of nearly 26,000 students and 3,800 employees of the District regarding the Governor's proposed Executive Budget for 2011-2012.

As we know, the financial forecast at both the Federal and State levels is at best disconcerting and at worst devastating. This is obviously of utmost concern to the Big 5: NYC, Buffalo, Rochester, Syracuse and Yonkers, all of which are dependent school districts that do not have the authority to set a tax rate or have the populace weigh in on that assessment. We are compelled to ultimately work with the executive branch of local government, making an impassioned plea to not cut the education budget dollars as this would stifle the progress that the Big 5 have made toward closing the achievement gap, significantly raising standardized test scores and improving graduation rates statewide.

This is not to say that the Big 5 or any school district should have a blank check in light of difficult economic times, but we should continue to be funded appropriately to manage our organizations in a prudent and economically accountable manner. For, in fact, we serve those children with the highest needs and least resources.

In prior years, I have come before this body to warn of oncoming calamity to our school district:

- The economic injustice of a Foundation Aid formula that does not work;
- The corrosive effect on education of freezing, and then cutting, aid at a time when our enrollment is growing;
- The crushing systemic burden of saddling school districts with unfunded mandates that siphon millions of dollars from instructional programs; and

- The illogic and unfairness of demanding current and future strategic realignment of personnel resources in the context of wage and benefit assumptions collectively bargained years, and in some cases, decades ago.

I admit that, a year ago, I was afraid I might sound a bit like “Chicken Little”. It was hard to imagine that things could be as bad as our projections showed. I hoped I was wrong.

I have never been sorrier to be right.

Today, I come before you after losing 439 staff positions, 12% of our total workforce. Teachers, custodians, clerks, central office employees and school building staff – all District functions have been touched and all areas have suffered because of the loss. There has been wrenching change to the District and, to this day, many critical positions go unfilled as we stretch remaining staff resources.

Some changes made this year have been for the good. Through ARRA funding targeted for school improvement, we have launched a new Early College High School at which students are now enrolled in a longer school day and, through articulation agreements with local colleges, are taking college level courses beginning in their freshman year of high school with the eventual goal of attaining an Associates Degree upon graduation. Cross Hill Academy has been added to the growing list of prekindergarten through eighth grade schools which have, over the past six years, displayed significant improvement in student achievement, attendance and graduation rates.

Improvements and efficiency in the placement of special needs students and programs to serve the ever growing number of English Language Learners have also been areas in which the District has been recognized.

The implementation of a new student information system continues, along with a Human Resources/Payroll system that will improve internal controls. In addition, the District has partnered with the City of Yonkers to begin implementation of an integrated finance system that will improve internal controls as well as increase the speed and accuracy of transactions. Additional areas of potential consolidation and efficiencies with our city

government have been in the areas of human resources and purchasing. Careful planning has allowed us to provide for the front-end cost of these initiatives; improved efficiencies will help us recover these costs in 3-5 years.

But some things we hoped would change have not. The so-called “permanent law” that preserves the inequities we labor under still remains. The Triborough Amendment to the Taylor Law, which acts as the single greatest disincentive to meaningful change in collective bargaining agreements is still on the books. At a time when we face the massive elimination of federal stimulus dollars, yet another governor proposes a Gap Elimination Amount of tens of millions of dollars. And despite the universal call against unfunded mandates and their impact, no significant mandate relief has been passed.

There are no warnings left to give. Without some combination of the changes I will briefly outline today, public education in Yonkers will be crippled for years to come.

# Yonkers Public Schools Revenue and Expense Forecast 2011/12

Revenue - Governor's Proposal	454,081,140
Expense Estimate	(541,854,013)
<b>Estimated Budget Shortfall</b>	<b>(87,772,873)</b>

## GAP Detail - 2011/12 vs. 2010/11

### Increases in Expenses

ARRA formerly Grant Funded	17,276,697	
Contractual Salary	9,162,087	
ERS	3,139,087	
TRS	9,575,051	
Health	7,773,625	
Other Fringe	1,125,618	
Transportation	6,769,473	
Utilities	2,384,912	
Debt Service	498,967	
		57,705,516

### Decreases in Revenues

Loss of G/F ARRA	8,123,590	
Drop in State Funding	17,556,742	
Various Other Decreases	207,471	
Variation from Executive Budget estimates	4,179,554	
		30,067,357

<b>Estimated Budget Shortfall</b>	<b>87,772,873</b>
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## **“Broken” Foundation Aid Is Better than None**

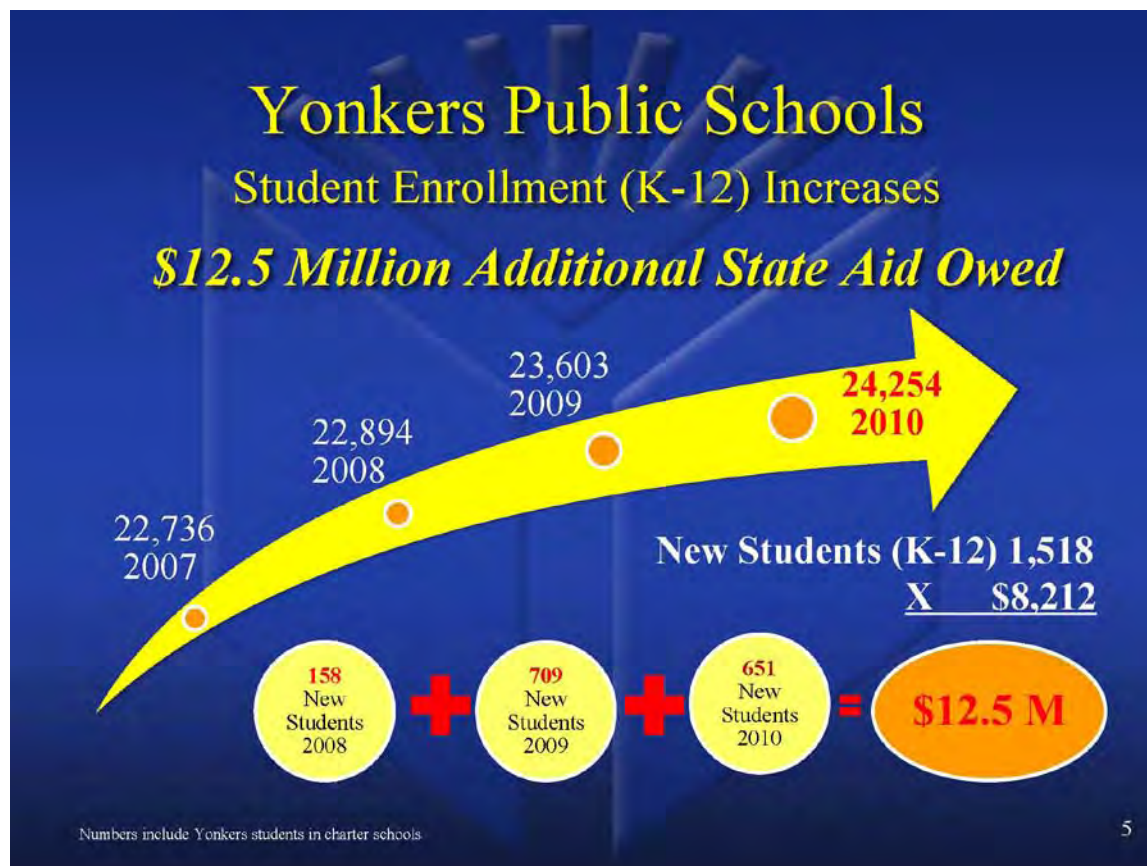
It has become part of the accepted wisdom that the Foundation Aid formula is flawed, “but it is the only formula we have”. The argument that the inputs driving the Foundation Aid formula do not capture the extent of fiscal need in the Yonkers Public School system is not only well-known but accepted as a given. Despite our calls to fix the formula it remains - unchanged and unresponsive to our community’s needs. I hope that this is part of the “permanent law” that the Governor and this legislature examine and finally correct.

But in the interim, we have a formula – let it operate! When the Foundation Aid formula was adopted, a rise in basic state aid of at least 3% a year was promised. However, fiscal year 2011-12 will be the third year that there will be no increase in Foundation Aid. Just by giving Yonkers Public Schools what is due next year, and what is past due for two prior years, nearly \$15.6 million (\$15,561,916) of much needed aid would be returned to the District.

*Give us the aid we are legally due.*

## **But Foundation Aid Does Not Account for Enrollment Growth**

The Foundation Aid formula assumes an enrollment that is static at 2007-08 levels. This has worked as a windfall for the majority of districts in the state that have experienced enrollment declines over the past three years. However, Yonkers Public Schools has experienced robust growth in enrollment during this time period. In fact, a demographic study completed in January 2011 shows that growth trend will continue into the foreseeable future.

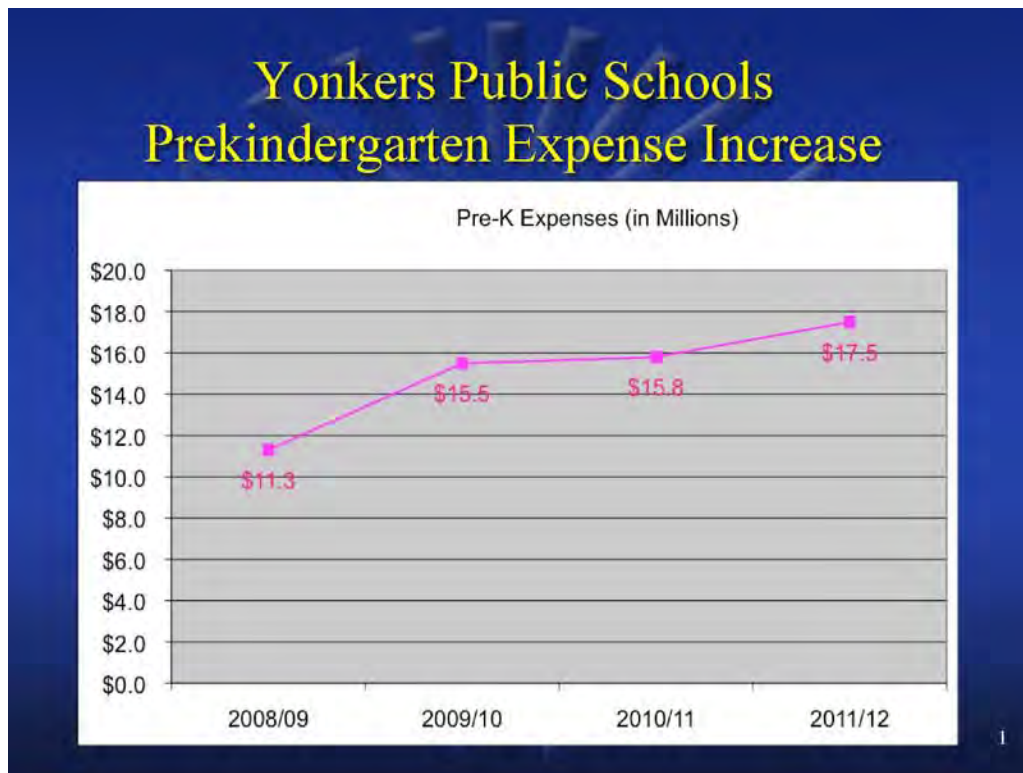


We are not looking for a windfall. If the new budget reflects what is equitable and properly due to Yonkers Public Schools based on enrollment growth as shown in BEDS reporting, the District should receive an additional \$12.5 million (\$12,465,816) in basic state aid. Actual enrollment for Yonkers Public Schools, including prekindergarten, is 25,631 presently and is projected to grow to over 30,000 by 2020.

*Let our aid reflect our actual enrollment.*

## Adjust the Universal PreK Grant to a More Equitable Rate

The District will expend \$15,796,890 on its PreK program this year, a program that has been run continuously since 1998. We serve predominantly high needs students. The success of the program has led to increasing enrollment and increasing expenses. The District utilizes highly certified teachers that follow a district-wide curriculum in the education of our earliest learners in a full-day program.



However, we are reimbursed at the lowest rate (\$2,700) per student rather than the higher rate of \$5,800. A shift to the higher rate would increase state funding from \$4,269,388 to \$9,169,800 based on BEDS October 2010 enrollment of 1581 – actual enrollment on February 7, 2011 was 1723. This still falls well short of our costs but would give us some relief for this pioneering District-wide program that has shown impressive results over the years.

*Help the District continue this program that has been a model for similar programs around the nation.*

## Repeal the Triborough Amendment

Whenever school budgets get tight, a predictable “usual suspects” list is quickly assembled to be reviewed for reductions and efficiencies. The Central Office, no matter how meager the staffing, is viewed as bloated. In a city that is miles wide, free transportation for schoolchildren becomes a luxury. During an era of sedentary entertainment and increasing childhood obesity, sports teams are viewed as an expensive frill for an elite few. While headlines annually track the advance of MRSA virus, swine flu or bedbugs, the number of custodians who clean our schools and nurses who care for sick children is debated.

But in fact, each of these items account for a small percentage of our budgets. The single largest cost that Yonkers or any school district has is the salary and benefits it pays to its instructional staff. Teachers, and other staff that support instruction, account for about 75% of our total budget. Any other industry facing difficult times would be expected to slow or stop the growth of its largest single expense. The leader of any corporation or business would be expected to freeze or cut salaries if revenues dropped. And yet, not only Yonkers Public Schools, but every public school system in this state, has been forced to give automatic pay increases to every single member of this group, every year for nearly 30 years. This is the central, devastating effect of the Triborough Amendment.

### Yonkers Public Schools A 25% Increase in Salary - Without a Raise!

Lane	MA+30
Step 1	64,855
Step 2	66,588
Step 3	70,928
Step 4	74,403
Step 5	77,864
Step 6	81,340
	25.42%

A little history may be useful. The Triborough Doctrine holds that public employers may not unilaterally change the basic terms and conditions of employment while negotiating a successor agreement. The Doctrine came about as the result of a 1972 PERB decision involving the Triborough Bridge and Tunnel Authority, interpreting the Taylor Law.

In 1977, the Court of Appeals held that the Triborough Doctrine should not apply to step increments. The unanimous decision by this state's highest court was chillingly prophetic. It said, in part:

***“In thriving periods the increment of the past may not squeeze the public purse, nor may it on the other hand be even fair to employees, but in times of escalating costs and diminishing tax bases, many public employers simply may not be able in good faith to continue to pay automatic increments to their employees.”***

In 1982, the legislature undid the Court's decision and amended the Taylor Law to force employers to continue all terms of an expired collective bargaining agreement, including step increments, until a new agreement was reached. This amendment became known as the Triborough Amendment.

The Triborough Amendment does not just remove financial control from district leadership. It acts as a huge disincentive for any union to seriously negotiate creatively or quickly. There simply is no pressure to act and no pressure to change. A union that does nothing puts nothing at risk. And superintendents are left with diminishing flexibility to manage due to 30 years of contractual accretions.

Last year, in Yonkers, we tried to put forth a plan that, in addition to cuts in central office and transportation expenses, and additional aid from local and state sources, asked our unions for a wage freeze. This one-year freeze would have delayed contractual increases, but it would have avoided hundreds of layoffs.

**THE SOLUTION: THE YONKERS PLAN**  
\$500.4 Million for 2010-2011 School Year  
**THROUGH SHARED SACRIFICE**  
**OUR STUDENTS WIN**  
What will it take?

Category	Amount
School District Reductions	\$8.9 Million
Union Givebacks	\$16.5 Million
Restored City Funding	\$2.4 Million
Additional State Aid	\$15.6 Million

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But it was not to be. One piece of the plan never came to pass.

**THE SOLUTION: THE YONKERS PLAN**  
\$500.7 Million for 2010-2011 School Year  
**THROUGH SHARED SACRIFICE**  
**OUR STUDENTS WIN**  
What will it take?

Category	Amount
School District Reductions	\$8.9 Million
Union Givebacks	\$16.5 Million
Restored City Funding	\$1.0 Million
Additional State Aid	\$15.6 Million

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Armed with the certainty of success by just sitting and waiting, the unions ignored the students who would have fewer teachers and support staff and preserved the short-term personal gains provided by a regular step increase. The frustration of this situation has not been lost on our stakeholders or the local press:

*“The stark reality, however, is that the school system is \$64 million short and flat broke. Four hundred positions have been terminated, half of them last-hired teachers. Art and music programs have been gutted. Those jobs would’ve been restored if the teachers union had agreed to accept a pay freeze, a savings of \$16.5 million. The leadership said no, leaving a question: How can anybody be a real boss if he or she has to ask their employees permission for making a sacrifice?”*

*Phil Reisman, Gannett Press February 10, 2011*

The time has come to allow our district leaders to truly lead. If no new revenues are forthcoming, districts must have the ability to avoid the automatic pay increases represented by the “step and lane” structure. How can we allow an increase in public expense without an increase in public funds? It is not good management, it is not good economics and it is not good government.

*Once and for all, eliminate this folly and repeal the Triborough Amendment.*

## **Help with the Loss of ARRA, Not Another GEA**

The Governor has properly attacked the inequities of the existing system of funding our schools, taking particular note of some of the arcane formulas buried in so-called “permanent law” which I have referred to today. However, the Executive Budget follows the very same permanent law it attacks when it follows existing formulas to determine a Gap Elimination Amount (GEA) that results in a net loss in aid to Yonkers Public Schools of \$17.6 million (\$17,556,742). The GEA is blind to our growing enrollment, improvement of our schools, innovation in education and demonstrated administrative efficiencies.

Coming at a time when the District is losing \$25.4 million (\$24,400,287) in ARRA funding, the GEA is as brutal as it is illogical. Instead of cutting our basic aid, the state should be looking for ways to help the District absorb the loss of ARRA funds. For example, the Executive Budget contemplates two separate funds available to school districts - \$250 million for demonstrated administrative efficiency and \$250 million for demonstrated

student performance. These funds should be available now as part of the current budget process, to reward districts like Yonkers that have improved efficiency and performance over the past three years. The permanent law concept of “supplement, not supplant” fails to reward districts that have planned ahead and been on the leading edge of change, innovation and performance. In fact, “supplement, not supplant” acts as a disincentive to take any action until a reward is offered.

*Give Yonkers credit for the efficiencies and performance improvements we have already realized.*

### **Unfunded Mandates**

If a family assumed obligations without considering and providing for the financial impact of those obligations, it would be irresponsible. If, as a District, Yonkers assumed costly responsibilities without making a provision to fund those responsibilities, it would be a violation of public trust. Then how do we describe action of this legislature in allowing the enormous and ever-growing unfunded mandates that burden Yonkers Public Schools, and other districts across the state, to continue?

The stark reality is that, as the chart below shows, nearly three-quarters of our budget gap would be eliminated if state and federal mandates were properly funded.

<b>Unfunded Mandate</b>	<b>Cost</b>
<b>1. Special Education:</b>	17,887,082
<b>2. Charter School Payments from District State Aid:</b>	3,354,813
<b>3. Supplemental Education Services (SES) Programming:</b>	275,000
	<b><u>\$21,516,895</u></b>
<b>4. Data Warehousing – Student Information Systems:</b>	-
District Data Manager/CIO Requirements	117,500
Statewide Data Collection	315,000
BEDS Reporting/DW Integration	75,000
Student Management Systems	325,000
HS Regents Testing/Scoring	175,000

Private School Software/Hardware Loan/Textbooks	450,000
Attendance	60,000
<b>5. No Child Left Behind Requirements:</b>	745,000
Grades 3-8 Testing, Scoring, Analyzing and Mailings	1,700,000
<b>6. Construction Mandates Under Wicks Law:</b>	775,000
<b>7. Private/Parochial Schools Health Services:</b>	1,761,600
Nurse Care to private/ parochial schools	298,100
	<hr/>
	<b>\$6,797,200</b>
<b>8. Audit Functions:</b>	
Claims Auditor	68,400
Comptroller's Office Audit (6 FTE x 20%)	28,772
External Auditing	125,000
 GASB 45 – increased independent auditing costs	
· Internal Auditor	181,440
· External Auditing Contract for Excellence	10,000
	<hr/>
	<b>\$413,612</b>
<b>9. Administration of 403(b) Plan Accounts:</b>	
403(b) Mandates January 1, 2009	55,796
	<hr/>
	<b>\$55,796</b>
<b>10. Facilities:</b>	
Administration of State Environmental Quality	
Annual AHERA Inspection	51,000
Annual Visual Inspection	50,000
Asbestos Inspection & Management Plan	65,000
Building Condition Survey (every 5 years)	363,604
Building Level School Safety Plan	20,000
District Wide School Safety Plan	30,000
Electronically Operated Partitions re-fitting	150,000
Environmentally Sensitive Products ("Green Cleaning")	300,000
Fire Extinguisher Testing and Monitoring	25,000
Hazardous Waste Removal	40,000
Integrated Pest Management	60,000
Radon Awareness & Testing	1,000
Fire Safety Inspections	20,000
Tank Testing and Repair	166,103

Fire Alarm Testing and Repair	180,000
Boiler Inspections	12,000
Integrated Pest Management	60,000
Comprehensive Maintenance Plan	30,000
Triennial AHERA Inspection	51,000
Right to Know Law & Hazard Communication	12,000
	<u><b>\$1,686,707</b></u>
<b>11. Health:</b>	
Health Services Other Districts	1,761,631
	<u><b>\$1,761,631</b></u>
<b>12. Instruction:</b>	
Student Calculators	44,856
	<u><b>\$44,856</b></u>
<b>13. Personnel:</b>	
Leave for Prostate & Breast Cancer Screening	595,000
	<u><b>\$595,000</b></u>
<b>14. BOCES Tuition Discrepancies</b>	11,500,000
<b>15. Student Transportation</b>	16,500,000
<b>16. Health Care Screening</b>	1,041,250
<b>17. Family Medical Leave Act</b>	433,400
<b>18. NYS Accountability System</b>	19,800
<b>GRAND TOTAL:</b>	<u><u><b>\$62,366,147</b></u></u>

We support the mandate relief proposals suggested by the Conference of Big 5 School Districts and will not reiterate them here. But we would go one step further – pass legislation in this session requiring that no new mandates be enacted unless full state funding is also provided. Take the pledge today to stop closing your eyes to the hundreds of millions of dollars in costs you are responsible for in district budgets statewide.

*End unfunded mandates.*

## Conclusion

In summary:

Today's work is not simply to balance a budget.

Today, our children are in your hands.

Public funding of education in the state of New York is failing. It is not failing because of spendthrift school districts; in fact, Yonkers and most other districts have done admirable work in reining in costs that they control. But no single district, nor all districts in unison, can act as a state legislature.

- Districts cannot fix flawed formulas embedded in so-called "permanent law".
- Districts cannot repeal laws that were questionable a generation ago and now bind us to provisions in collective bargaining agreements that have not made sense for 30 years.
- Districts cannot force the state to keep funding promises made only a few years ago.
- Districts cannot ensure that the state follow basic fairness and aid us for actual numbers of students enrolled.
- Districts cannot guarantee that state instructional performance output metrics will remain consistent and meaningful from year-to-year.
- Districts cannot fund existing and new state mandates that have no budget allocation provided for them.

I urge you to take up the Governor's call for change and take action today. Not a "five year plan," a "one year freeze" or a competition for funding that makes the budget process into something more like a sporting event than a deliberate exercise in planning for the future. It's time to tear down the existing system and build a funding system that serves the one group that does not have a highly paid lobbyist here in Albany - our children.

The alternative is a future that we can already see coming around the corner in urban districts like Yonkers: a public education system left to starve, where those with sufficient means will flee. And those who cannot afford to flee this crippled system will be consigned to a permanent underclass of citizens, unprepared for higher education or a job market that demands an increasingly sophisticated skill set.

Today's work is not an exercise in budgeting. Every class we graduate alters the future of our state and our country. We cannot waste one year, we cannot forsake one student. But school districts cannot make the underlying statewide structural changes that will allow us to move our schools to the future. That job is yours.

Today, our children are in your hands.