



YONKERS PUBLIC SCHOOLS



*“Achieving Excellence Together”*

**Testimony Before The New York State  
Senate Finance Committee  
Assembly Ways and Means Committee  
Senate Education Committee  
Assembly Education Committee**

Presented by:

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**Superintendent of Schools**  
**Testimony to New York State Representatives**  
**January 28, 2009**

Good afternoon, and thank you for the opportunity to address this committee today. My name is Bernard Pierorazio, Superintendent of the Yonkers Public Schools.

As we know, the financial forecast at both the Federal and State level 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.

The Yonkers Public Schools has witnessed exceptional growth in the area of student achievement. Last year, alone, our students in grades three through eight experienced a 9.5% increase in the area of English Language Arts. In Mathematics, our students achieved over a 13% increase, translating into better than 65% of our children showing state proficiency.

The Yonkers Public Schools has a robust pre-kindergarten program that has been in existence since 1998. Over 1500 pre-k students are enrolled annually in our District. Their achievement levels far exceed their counterparts who have not attended our early childhood programs. Despite the fact that the New York State reimbursement cost is negligible, the district fully supports pre-kindergarten.

At the high school level, students sat for more than 1600 Advanced Placement and International Baccalaureate exams and our graduation rate increased by over 9 percentage points. Partnerships with colleges, universities, and businesses are blooming. The beginning of an educational foundation has created student opportunities, long imagined in the history of the fourth largest school district in the State.

Through smart fiscal management and planning, opportunities exist for high school students to graduate on time by attending our credit recovery program known as CARE. Young children are engaged in the educational process in our after school academies. Summer programs at various colleges allow our students to experience college life, albeit for two weeks, but a true opportunity on a college campus for eighth graders is an undertaking that will change a child's life and potentially their future. High school scholar internships at IBM or attendance at Manhattan College School of Engineering classes are made possible because of adequate funding.

These are opportunities for a school age population in which 72% are characterized as being at the poverty level. Although the majority of our students may come from homes labeled as low income, their aspirations remain high. Educators and parents, too, have nothing but high expectations for district children to succeed as they have never succeeded before. We insist, as did NASA during the Apollo 13 flight, that in the Yonkers Public Schools, ***failure is not an option.*** Furthermore, we inculcate into every one of our students, ***College is in Your Future.***

These are but a short list of the outstanding accomplishments made in the Yonkers Public Schools, and I assure you that each of my colleagues in the other Big 5 Districts can cite equally impressive examples of student success. Make no mistake, the successes of the Yonkers Public Schools are due in large part to the educational policies established by the State of New York, and the leadership of the Board of Education Trustees, the Mayor of Yonkers, as well as support from the City Council. Our State representatives must be commended (Senator Cousins, Senator Klein, Assemblyman Spano, Assemblyman Pretlow and Assemblyman Brodsky) for they continue to work valiantly in providing education dollars to the City School

District, but are impeded by the inequities established by the present foundation formula.

Each of you must realize that all of this good will, all of the academic achievements, all of the stability of constructive relationships with labor, especially our professional staff and civil servants, would be dashed if you do not continue supporting our districts at the present levels and with the optimism of potential cost of living increases from Albany.

We know that we are not insulated from the cuts in Albany simply because the burden will have to be picked up at the local level. I know you have heard from our Mayor only last week that local support for education may have to diminish even in light of the legislative mandate that municipalities in the Big 5 must maintain financial support to their districts at a designated base year rate. But we understand that if the City has to cut its services by 10% or greater, then we would also suffer a 10% or greater reduction.

### **How can the State help Yonkers?**

The method by which New York State directs funds to public education is seriously flawed for the Yonkers Public Schools, resulting in an underlying inequity that has historically plagued our District and the City of Yonkers. Perpetuating the current approach, particularly during this time of economic crisis, will be disastrous for our students and our citizens.

Although many figures can be used to calculate the different aids received by State school districts, the key values with regard to Foundation Aid, the largest State aid category, are **resident income** and **property value**. Additionally, regional variations in costs are supposed to be ameliorated by the formula.

The resident income component is the calculation of local **income per student**. Based on 2005 data, the Yonkers income per student of \$133,440 was 6.7% below the State average of \$143,000. This part of the equation indicates that, relatively speaking, the citizens of Yonkers do not have the capacity to pay more taxes.

The next factor is a calculation of property value. The average New York State **property value** per student was most recently calculated at \$453,100 per student. Yonkers Public Schools has an average property value of \$511,298 per student or about 12.8% more **property value per student** than the State average. For many years, property values have typically been higher around the New York City metropolitan area, and, generally, in Westchester County, than in the rest of New York State. The implicit assumption is that a school district with higher than average property value per student has not exhausted its taxing limits for education, that is, its citizens can afford to pay more. This assumption is false.

The **property value** and **resident income level** together create the **Combined Wealth Ratio (CWR)** which is a key component in calculating the foundation aid State sharing ratio. This is the Rosetta Stone, the intangible, that must be deciphered and recast as I will point later in my discussion.

Herein is the dilemma. Normally, there is a rough correlation between property values and income. However, in the City of Yonkers, which appears to have a sizeable tax base according to the State aid formula, the citizens, in reality, do not possess the income that might ordinarily be associated with such a base. The State education formula fails because it does not sufficiently account for the artificially high property values of the region. Even the recent dramatic fall in real estate prices during the current economic crisis is omitted from the formula, which uses data that pre-dates the recent financial downturn. Because of formulaic flaws in how property is valued, aid to Yonkers Public Schools is routinely at minimal levels that do not meet the basic educational needs of our students.

Compounding the impact of the skewed relationship between property values and income in Yonkers is the misapplication of the Regional Cost Index, or RCI. Yonkers has always been assigned the "Hudson Valley" RCI. In fact, the influences on the cost of living in Yonkers are far more similar to those affecting New York City and Long Island, who share a separate, and higher, RCI. Simple fairness, along with a recognition of economic reality, would dictate that Yonkers also be allowed to use this higher RCI.

The Governor's proposed budget includes a **Deficit Reduction Assessment** of 4.9%, or about 10.9 million dollars for the Yonkers Public Schools. This was the highest percent reduction of the Big 5 New York State School Districts. The reductions in the other four districts were much lower: New York City -3.8%; Buffalo -2.8%; Rochester -1.6%; Syracuse -1.6%. In addition, a five million dollar anticipated increase in Foundation Aid for the Yonkers Public Schools was eliminated along with two million dollars in "one shot" discretionary funding. Therefore, the Yonkers Public Schools face a **total reduction of 18 million dollars** in State aid for the next academic year.

Given the collective bargaining obligations of the District, and anticipated cost projections for the 2009-2010 academic year, including the expense of transporting students as well as the increasing BOCES costs for students with special needs, the **anticipated deficit for the School District will be 49.3 million dollars**. And this estimate relies on the increasingly tenuous assumption that the City of Yonkers, already unfairly burdened by the inequity of the Foundation Formula, will maintain its support of the District at current levels.

Furthermore, in the area of capital improvements, our plan for the rehabilitation of our schools is at a standstill. The city government has continued to support our efforts by bonding over 67 million dollars over the past five years, far short of our most basic need of 300 million dollars. The City of Yonkers wants to help, but is reluctant to assume an oppressive capital funding burden unique among the Big 5 Districts. This is because our reimbursement rate is also based on property value, allowing only a 47% reimbursement for capital projects while the western region realizes over 94% State reimbursement on capital projects. Here again, an adjustment in the RCI applicable to Yonkers would give us much needed relief.

Where will the Yonkers Public Schools find 49.3 million dollars? We have and will continue to cut costs and, sadly, have to do less for our students. The stark reality is that without a fair formula to drive State aid to our students, Yonkers Public Schools is faced with a devastating loss of resources that can only be addressed by reducing staff. The District has not yet recovered staff from the 2003 budget-imposed reductions. In addition, among the Big 5 School Districts,

the Yonkers Public Schools is considered the leanest in central office personnel and overall school staff. As an indicator of fiscal responsibility, the District will contractually recoup employee health care contributions beginning July 1<sup>st</sup>. But our careful management, award-winning schools, and progressive educational programs are no match for a flawed State formula. The newest teachers of the Yonkers Public Schools will be lost, those with the brightest futures, who, like their more experienced colleagues, maintain a will and compassion for students. In fact, a deficit of 49.3 million dollars translates into a **loss of 25% of the District's total workforce**.

There is a solution. Our State representatives can introduce legislation to create a cap for a specific **Combined Wealth Ratio (CWR)** for the Yonkers Public Schools. The cap would reduce our **Combined Wealth Ratio** to drive a consistent funding stream between 30 and 40 million dollars annually to finally, and conclusively, correct the inequity. In addition, by allowing Westchester County to take advantage of the **Regional Cost Index** allowed Long Island and New York City, it would further add to the funding stream for the Yonkers Public School District.

We cling to the hope that real change can happen in Albany, imploring our State representations to courageously confront the injustice of the funding formula and actively promote the passage of long overdue equitable education legislation. Accordingly, the Yonkers Public Schools will collaborate with City of Yonkers representatives in the New York State Senate and Assembly to work for such a legislative solution. For the more than 24,000 children of the Yonkers Public Schools, our representatives need to remedy and reverse the critical inequity of the New York State education formula.

**ADJUSTED GROSS INCOME PER PUPIL**  
**2006-2007 Data**

Income per pupil is the adjusted gross income of the district divided by the Total Pupil Wealth Units (TPWU).

New York State .....	\$143,000
Westchester County.....	\$276,144
New York City.....	\$243,579
<b>Yonkers.....</b>	<b>\$133,440</b>
Buffalo.....	\$ 85,569
Rochester.....	\$ 71,865
Syracuse.....	\$ 79,636
Mount Vernon* .....	\$113,222
Lakeland* .....	\$106,700

*\*Along with Yonkers, the three lowest in Westchester County*

**FULL VALUE PER PUPIL**  
**2007-2008 Data**

Total assessed value of real property divided by the equalization rate set by the State Office of Real Property Services.

New York State .....	\$453,100
Westchester County.....	\$957,701
New York City.....	\$592,510
<b>Yonkers.....</b>	<b>\$511,298</b>
Buffalo.....	\$152,309
Rochester.....	\$155,172
Syracuse.....	\$183,678
Mount Vernon* .....	\$387,194
Peekskill* .....	\$322,854

*\*Along with Yonkers, the three lowest in Westchester County*

## COMBINED WEALTH RATIO (CWR)

The Combined Wealth Ratio is a key component in determining aid ratios in many State Aid formulas. The CWR is a district wealth measure **based on full value of taxable property per pupil and Adjusted Gross Income per pupil.**

New York State .....	1.000
Westchester County.....	2.360
New York City.....	1.020
<b>Yonkers .....</b>	<b>1.024</b>
Buffalo.....	0.334
Rochester.....	0.293
Syracuse.....	0.312
Peekskill* .....	0.976
Mount Vernon* .....	0.970

*\*Along with Yonkers, the three lowest in Westchester County*

## REGIONAL COST INDEX BUILDING AID RATIO

Resident Weighted Average Daily Attendance Aid Ratio:

<u>Regional Cost Index</u>	<u>Building Aid</u>
1.091 .....	Buffalo..... 0.860
1.141 .....	Rochester..... 0.850
1.425 .....	New York City..... 0.540
1.301 .....	Syracuse..... 0.820
<b>1.314.....</b>	<b>Yonkers.....0.470</b>

*All of Westchester County, including Yonkers, should be coupled with New York City and Long Island at the higher Regional Cost Index of 1.425. This would increase aid to the County and Yonkers Public Schools.*

**APPROVED OPERATING EXPENSES PER PUPIL**  
**2007-2008 Data**

Approved Operating Expenses Per Pupil is determined by dividing the Approved Operating Expenses  
(minus debt service, transportation, BOCES, tuition to other districts) by the sum of the districts  
Total Aidable Pupil Units (TAPU)

New York State .....	\$ 9,250
Westchester County .....	\$13,927
New York City .....	\$11,262
<b>Yonkers.....</b>	<b>\$12,806</b>
Buffalo .....	\$10,503
Rochester .....	\$11,013
Syracuse.....	\$10,379
New Rochelle* .....	\$10,657
Port Chester* .....	\$ 9,891

*\*Along with Yonkers, the three lowest in Westchester County*

**STATE VERSUS CITY FUNDING – 2008-2009**

<u>New York State</u>	<u>Local Contribution</u>	
Buffalo .....	637M (73%) .....	70M (8%)
Rochester .....	473M (69%) .....	118M (17%)
New York City .....	8.69B (41%).....	10.5B (50%)
Syracuse .....	287M (67%) .....	64M (15%)
<b>Yonkers .....</b>	<b>236M (44%) .....</b>	<b>218M (41%)*</b>

*\*Includes STAR funds*

## SOLUTION:

### HOW TO FIX THE EDUCATIONAL AID FORMULA FOR YONKERS - NEW LEGISLATION

Introduce new legislation to develop a permanent solution to fund the Yonkers Public Schools by developing a cap that reduces the Combined Wealth Ratio (CWR) to bring it more in line with Buffalo, Rochester and Syracuse.

#### TABLE OF POSSIBLE ADJUSTMENTS

<u>Reduction</u>	<u>Adjustment</u>	<u>Yonkers CWR</u>	<u>New CWR</u>
0.660	0.330	1.024	0.3379
0.600	0.400	1.024	0.4096
0.500	0.500	1.024	0.5120
0.400	0.600	1.024	0.6144

*The newly reduced Combined Wealth Ratio (CWR) would drive much needed education dollars to the City of Yonkers.*

#### Real Property Value Per Pupil

New York State ..... \$453,100  
**Yonkers (+12%) ..... \$511,298**

#### Adjusted Gross Income Per Pupil

New York State ..... \$143,000  
**Yonkers (-7%) ..... \$133,440**

#### Combined Wealth Ratio

New York State ..... 1.000  
**Yonkers ..... 1.024**

#### Building Aid

**Yonkers ..... .47**

#### Regional Cost Index

New York City ..... 1.425  
**Yonkers ..... 1.314**

## **The Problem of Unfunded Mandates**

Another entreaty of school districts from Montauk to Erie County, from Plattsburgh to Staten Island is the need for mandate relief. As we move forward, we need relief from health care, educational mandates and administrative costs imposed upon us by the State legislature and Federal government. We continue to receive legislative mandates without even a hint of funding. Some of the more significant impacts of unfunded mandates on the Yonkers Public Schools District are:

- **NYSHIP**

New York State's health care consortium continues to demand annual increases for providing health care to our workers even though they are presently nurturing a 6 billion dollar surplus. Our rates this year are projected to increase by about 5% nearing \$60.59 million, up from \$57.7 million last year.

Annual Cost      \$60,590,000.00

- **Special Education Mandates**

Current laws require caps on class size, counseling, occupational therapy, physical therapy, consultants for specialized services, tuition to specialized private and public schools, transportation costs and summer programs.

Annual Cost      \$33,500,000

- **Transportation Costs**

State funding has practically disappeared in this category due to an annual reduction in the state share of transporting students. The State, at one time, picked up 90% of the cost of transportation, but, presently, the State picks up only 54% of the total cost.

Annual Cost      \$11,200,000.

- **BOCES Tuition Discrepancies**

BOCES centers, which are part of the State Education Department, are allowed to set fees for services independent of one another, even though they are all subject to the Seneca Falls agreement. The Seneca Falls agreement implicitly states that out-of-district tuition should not be more than \$28,644. An example comparing all three State agencies is as follows: Therapeutic Support for an Emotionally Disturbed student differs at three local BOCES:

Southern Westchester	Northern Westchester	Rockland
<u>Tuition:</u>		
\$63,194.00	\$56,109.00	\$49,645.00
<u>Aide Cost:</u>		
\$54,632.00	\$41,121.00	\$41,258.00
<u>Administrative Non-Member Cost:</u>		
16%	13.5%	10%

Annual Cost    \$10,400,000.

- **Americans with Disabilities Act**

The goal of affording all of our children access to all of our schools, regardless of what personal challenges they may face, is laudable and supported fully by Yonkers Public Schools. However, the cost of bringing 27 of our 40 schools into minimum compliance with the unfunded mandates articulated in the Americans with Disabilities Act is prohibitive.

Cost of Compliance    \$6,750,000

- **Charter Schools**

Districts are required to pay the per pupil costs to private charter schools, even though many are not union affiliated, as well as providing additional support services for special needs children along with transportation and nursing services.

Annual Cost        \$3,200,000

- **Supplemental Education Services**

Tutorial sessions must be offered to students who have not performed at the proficiency level. These services, as stated in the Federal/State mandate, must be provided by a recommended vendor, but not the school district at the approximate cost of \$2000.00 per child. This mandate can potentially tie up instructional funds to the extent of 20% of our annual Title I budget.

Annual Cost      \$2,515,000.

- **Data Warehousing**

NYSED data reporting requirements have increased dramatically. This includes software and hardware associated with reporting as well as staff and training costs.

Annual Costs    \$762,000

- **No Child Left Behind**

This Federal mandate not only requires the coordination of testing for ten thousand students, but also requires that the local district plan and execute the correction of these exams in the areas of English, Mathematics, Social Studies, and Science. The English Language Arts exam in three grades have four written sections which must be read, reread and calibrated at the local district's expense. Training, substitute coverage, and overtime expenditures which total greater than a million dollars for this district.

Annual Cost      \$676,000

- **Construction Mandates Wicks Law**

The economies of scale could not be recognized due to the separate bidding requirements of the Wicks Law.

Annual Cost      \$700,000.

- **Health Care Screenings**

The State has now approved an unimpeded eleven hour leave for cancer screening in various areas for municipal and state workers. Now this is a wonderful idea, but to mandate an additional unfunded eleven hours of leave for municipal workers who now have liberal personal leave and sick day benefit policies will become a serious cost obligation on districts. We have 3,906 employees. Who will pay the cost of class coverage for the educators who choose to take advantage of the eleven hours of leave time? At over a hundred dollars a day for 1,991 teachers, the potential cost of an additional \$299,000 is staggering. This does not include the lost man hours for clerical, custodial, cafeteria and administrative staff, which would increase the number to over a half million dollars.

Annual Cost      \$1,576,000.

- **Family Medical Leave Act**

Legislation will now require that present unpaid leave become paid leave \$394,000.

Annual Cost      \$394,000

- **Nurse Care to Private/Parochial Schools**

Districts are required to provide equitable nursing services to private and parochial schools in addition to providing services for special needs students.

Annual Cost      \$271,000

- **Audit Functions**

The Comptrollers Office now requires two additional audit functions; the claims auditor and the internal auditor, both who report directly to the Board of Education Trustees. This is beyond the annual external audit which the district is also responsible for funding.

Annual Cost      \$200,000.

- **Defibrillators**

The use of defibrillators, to be available in every school building, every school sponsored event, and every athletic competition, requires staff and/or parent training. In addition, the District is responsible to have an individual at every event who is fully trained in the use of the defibrillator. The district must bear the cost of units, training, and overtime.

Annual Cost      \$108,000

- **Administration of 403B accounts**

A Federal mandate requires that we now monitor all contributions by employees and advise employees concerning their contributions.

Annual Cost      \$80,000.

- **NYS Accountability System**

Under new Commissioner's Regulations, each district must pick up the funding for Joint Intervention Teams, School Quality Review Teams, and Distinguished Educators. These expenditures must come out of Title I funding.

Annual Cost      \$150,000.

- **Compliance with GASB 45**

In June 2004, the Government Accounting Standards Board issued statement No. 45 which establishes new accounting standards for post retirement benefits other than pensions. Like most governmental employers, Yonkers Public Schools has been accounting for these benefits each year on a "pay-as-you-go" basis. Providing for the annual required contribution as mandated by GASB 45 will cost the District an astounding **64.6 million dollars** in FY 09/10.

Annual Cost      \$64,600,000

## **Conclusion**

From the information shared with you this afternoon, it is evident that both Federal and State mandates have placed an undo hardship on school districts. In some cases, there is an insurmountable hurdle for the Big 5 Districts, which, in fact, service 40% of New York State's public school students who are in greatest need.

Forty-two percent of the state's special needs students are educated in the Big 5 districts as well as 75% of all limited English proficient students.

It is incumbent for this body to bring back the message that substantial cuts to the Big 5 cities would have a disastrous impact on the lives of countless children, children who can ill afford such a setback in their lives.

Our children are the faces of the future, entrusting us with their education. It is our absolute responsibility to provide these children with excellence in learning, readying them to become adults who steadfastly contribute to their families, their communities, and their country.