Superintendents: New school budget reporting requirement takes state oversight too far

ALBANY – “The new state budget produced a lackluster outcome for public schools,” said Charles Dedrick, Executive Director of the New York State Council of School Superintendents.

Dedrick explained, “We appreciate the difficulty lawmakers faced in assembling a state budget in an exceptionally uncertain fiscal climate. But the overall increase in regular School Aid of $859 million falls short of assuring what many districts will need to maintain current services, given an increase in mandated pension costs and the practical imperative of holding local tax increases within the property tax cap.”

Dedrick went on, “What adds to our frustration is the imposition of a new budget reporting mandate with a potential loss of state aid attached.”

Under the new requirement, districts will submit information to the State Education Department and Division of the Budget outlining funding allocations for each of their school buildings, demographic data for each school, and the policies by which funds are allocated among the schools. If the agencies determine that the submitted information is not complete or in the required format, a district could lose any state aid increase for the year.

Dedrick said, “We have to see how these requirements will be applied. But we are concerned that they could have the effect of supplanting judgments of elected school boards, their administrative teams, and the voters themselves with those of state officials in Albany. At best, it’s one more paperwork mandate that districts will have to satisfy.”

The new state requirement will eventually apply to every school district, and will start in 2018-19 for New York City and 75 other districts. The requirement is to be phased-in to cover all districts within three years.

Under the federal Every Student Succeeds Act, all districts were already required to report actual per pupil expenditures for each school starting with the 2018-19. That reporting will illuminate the actual funding decisions districts make and the complications that they encounter. The new state mandate will require them to state their planned allocations as well, with the risk of losing state aid.

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“School districts are accustomed to transparency and oversight,” Dedrick said, adding, “What other institution gives the public as much information on its finances and performance? Our budget process is also more open to public input than any other public service in New York State. Outside the Big 5 cities, it culminates every year with a public vote, something not required of counties, cities, towns, or villages.”

Dedrick explained that every year, school districts issue school report cards, property tax report cards, administrative compensation reports, standardized test results, and violent incident reports, they mail budget notices to every resident, are subject to regular audits by the Comptroller, and more.

“Delays or denials of state approval could also prevent schools from having services in place for students when they return to classes at the end of summer,” Dedrick noted.

Dedrick added, “We do applaud the rejection of proposed caps on expense-based aids and cuts to summer school special education. Those actions would have imposed long-term budgetary harm for students and schools.”

Robert Lowry, the Council’s deputy director, said, “We support efforts to blunt the impact of the near total elimination of the state and local tax deduction in the new federal tax law. The authorization for school districts to establish local charitable funds is a prudent step to protect the state’s tax base, but schools will need assurance that donations will be sanctioned by the Internal Revenue Service.”

“As we move forward into the second-half of the legislative session,” Lowry said, “the Council will continue to push for policies that strengthen the ability of schools to improve opportunities for schoolchildren and assure a more financially sustainable future” said Lowry.

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The New York State Council of School Superintendents is a professional and advocacy organization with over a century of service to school superintendents and assistant superintendents in New York State. The Council provides more than 800 members with professional development opportunities, publications and personal support while advocating for public education and the superintendency.