

DRAFT

The School Mandate Primer

A Guide to New York State Mandates Impacting our School District

The Chappaqua Central School District (CCSD), like all other New York school districts, is bound by New York State mandates that severely restrict the ability of school boards to manage expenses and personnel decisions. "State Workers and N.Y. Fiscal Crisis," an editorial in *The New York Times* (3/6/11), addresses Mandate issues: http://www.nytimes.com/2011/03/06/opinion/06sun1.html?_r=1&emc=eta1

The mandates with the greatest impact to CCSD are discussed below. We hope you will support changes to these mandates by contacting our state legislators listed at the end of this document.

Triborough Amendment

The Triborough Amendment, an amendment to the Taylor Labor Law, requires public employers such as CCSD to continue the provisions of an expiring contract until a new contract is agreed to. All provisions of the expired contract are kept in place: step increases, health-care contributions, stipend amounts, etc., except for salary increases.

This amendment to the law limits effective collective bargaining by creating a floor on compensation and health-care contributions as well as removing incentives for the unions to give concessions or engage in bargaining in good faith. As a result, there is an uneven playing field that favors union employees. New York is the only state with this requirement for public employers.

For example, in Chappaqua the custodial staff contract ended two years ago. A new contract has still not been agreed, resulting in higher costs to the school district than would be the case without the Triborough Amendment.

Recommendation: Repeal the Triborough Amendment to the Taylor Labor Law

Pension Program

The current pension plan is mandated by the New York State constitution. It is a Defined Benefit Plan NOT a Defined Contribution Plan. A Defined Benefit Plan guarantees specific terms to its participants upon retirement. The guarantors are the New York State taxpayers and they must make up any investment shortfalls. A Defined Contribution Plan specifies how much the employer contributes to the plan yearly and the investment risk of the plan is borne by the employee.

The pension program assumes:

1. Annual investment growth rate of return of 8% on pension investments (private plans use 6% return).
2. Taxpayers are responsible to make up any shortfalls to the annual investment return.
3. School district union employees only make 3% annual contributions for 10 years (Tier IV), or 3.5% (Tier V). No contributions are required after 10 years for Tier IV.
4. School district union employees can retire after 30 years with a guaranteed benefit.
5. Retirement benefits are calculated as the average of the three highest consecutive years of compensation and include stipends (coaching, summer school, tutoring, supervising clubs, etc.).
6. All New York State public employment retirees are exempt from New York State and local taxes on their retirement compensation, resulting in hundreds of millions of dollars in lost revenue every year to the state.

In the last few years, because of shortfall in the market performance and reduced amounts of contributions from school district employees, school districts have had large increases in their pension contribution payments over which they have no control. These increases are projected to continue.

For CCSD the amount paid recently for pensions benefits is:

2008-09	\$4,267,195
2009-10	\$3,455,659
2010-11	\$5,685,208
2011-12	\$7,600,000

Please note: the pension payment amounts are increasing significantly even though the number of staff is decreasing. Increases of this magnitude crowd out the ability for schools to spend money on educational programs for the students.

For detailed information about the Teacher Pension Plan, see the New York State Teachers Retirement System website, www.nystrs.org. This site also includes a pension calculator.

Information on the pension plan and its problems can be found in The Empire Center's policy article, "New York's Exploding Pension Costs":
<http://www.empirecenter.org/Documents/PDF/PensionExplosion.12.2010.pdf>

Recommendations:

1. Adopt a defined contribution (401k type) plan
2. Require employees to make contributions for every year worked
3. Increase employee contribution rate
4. Exclude stipends and overtime from retirement benefit calculations
5. Increase retirement age to 65
6. Establish a rate ceiling and floor for the annual % paid by employers

Retiree Health-Care Benefits

Health-care benefits for retiring school district union employees remain at the same level as when they were active, when specified by their local contract.

Public employers (and thus taxpayers) pay health-care premiums until the retiree reaches Medicare age. However, at the time the retiree switches to Medicare, public employers must still pay the difference between Medicare and the contractual health-care insurance plan when specified in the local contract (for example, extended hospital and nursing home stays).

The Chappaqua Central School District currently has \$87 million in unfunded liabilities for post-employment health-care costs (see GASB 45) and this amount is growing rapidly. School districts are not allowed by law to accrue or reserve against these liabilities.

For detailed information on the plan and problems, see The Empire Center for New York State Policy article, "Icebergs Ahead":
<http://www.empirecenter.org/Documents/PDF/iceberg-final.pdf>

Recommendation:

1. Do not require public employers to pay for health insurance after an employee retires. Retiree would be covered by Medicare.

Tenure and Last In First Out Layoff Policy

In almost all cases, teachers are granted Tenure after three years of teaching. Once granted, Tenure is permanent. Tenure has a negative impact on the quality of education because it does not reward good performance nor penalize bad performance. Tenure can block the school district from replacing a poorly performing, tenured teacher with a high performing teacher.

The Last in First Out policy (LIFO) is used when layoffs occur in the school district. By New York State law, the district must make teacher reductions within certification areas by seniority regardless of performance. Tenure and LIFO restricts CCSD from making pure performance decisions with its personnel.

Recommendations:

1. Reform the teacher evaluation system for both non tenured and tenured teachers
2. Establish a renewable tenure system
3. Abolish Last In First Out (LIFO) layoff policy for all school district personnel

State Testing

Mandatory New York State Testing, though not a large budget expense, is very time consuming for both CCSD teachers and students. This testing forces emphasis in instruction that is often not what CCSD would select as most important for the student's learning.

Student time required for testing:

1. 3rd grade students must sit for more than four hours of testing time
2. By grade 8, the total of State testing time is more than eight hours per student
3. High School students must complete at least five Regents Exams in core subjects, at three hours per exam, totaling at least 15 hours.

Teacher time required for testing:

1. At grade 3, best estimates show 105 hours of teacher correcting time
2. By grade 8 it is closer to 400 hours of teacher correcting time
3. High School Regent Exams require about 25 hours of teacher correcting time per test, or about 125 hours for even the minimum five exams.

Even more of a time concern, though hard to calculate, are the hours spent by students and teachers in preparation for all the testing. Without State testing, CCSD could pursue other tests at a level of challenge – and usefulness of results- more appropriate to Chappaqua students.

Recommendation: Allow high performing school districts to opt out of the State Testing Requirements and use other measurements which are more appropriate to the individual school district.

Changes to the above Mandates can only be accomplished with legislative action through our elected State Representatives. If you would like to see changes, please contact:

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www.governor.ny.gov/contact/GovernorContactForm.php

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If you have questions or would like additional information, contact the Chappaqua School Board at: board@ccsd.ws

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