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THE BOND BUYER

Cuomo's School Bond Must Overcome New York Skeptics

By Robert Slavin

October 31, 2014

The \$2 billion New York state school bond measure on Tuesday's ballot is arriving before voters without much fanfare amid skepticism from some quarters.

New York Gov. Andrew Cuomo proposed the bond in his January State of the State speech. The Legislature subsequently approved it.

The Smart Schools Bond Act of 2014 is the first general obligation bond measure put before New York voters since 2005. In that year voters approved a \$2.9 billion transportation bond, with 56% voting in favor.

New York law requires voter approval of its general obligation bonds. New York government has a history of bypassing that requirement by issuing most of its debt through its authorities.

The bonds in Tuesday's Proposal 3 would be used for school technology and two types of construction projects. The technology would include tablets, computers, installing broadband and wireless Internet equipment, and high-tech security systems. The construction projects would include building pre-kindergarten classrooms in New York City and permanent add-ons to schools to replace prefabricated buildings serving as classrooms.

The \$2 billion total would be sold over four years, with \$1 billion sold in the first year, fiscal year 2015-2016. Bond repayment would range from eight years for the classroom technology to 30 years for the building construction.

In the run-up to the election most institutional commentary on the bond proposal has been negative.

The Lower Hudson Valley's *Journal-News*, the *Buffalo News*, *Newsday*, and *Syracuse.com* have published editorials against the bond.

"There are high-priority needs in New York State, not the least of which is repairing roads and bridges, that may be worth borrowing for," the *Buffalo News* wrote. "Sinking the state even deeper into debt to fund like-to-have items is a mistake."

The New York Citizens Budget Commission and the right-leaning Empire Center for New York State Policy have urged a "no" vote, with the latter calling the bond a "boondoggle."



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State education organizations have not united behind the bond. Neither the New York State School Boards Association nor the New York State Council of School Superintendents has taken a position on it. The New York State United Teachers, a teachers union, is one of the only major groups supporting it.

Technology is particularly needed in the state's rural schools, said Carl Korn, spokesman for New York State United Teachers.

NYSUT started placing television advertisements in favor of the bond on Thursday, Korn said.

The opportunity to install high-tech security systems, expand pre-kindergarten programs and get rid of modular trailers would be welcome, Korn added.

The bond's opponents have marshaled a wide range of arguments.

In a position paper, Empire Center president E.J. McMahon said that state and local governments legally cannot issue bonds unless they will be paid back within the probable lifespan of their purchased items. Typical lifespans of tablets are two years and of desktop computers five years, he said. Yet the bonds are to pay off these costs over eight years.

"There is nothing worse than paying for something that you no longer use," said Evercore director of municipal research Howard Cure.

Both the CBC director of state studies Elizabeth Lynam and McMahon noted that New York is approaching its legal debt cap. The Debt Reform Act of 2000 limits the size of the state's debt issued since April 1, 2000 to 4% of total personal income. If voters approve the bond measure, in fiscal year 2016-2017 the state's available capacity would fall to \$366 million or 0.03% of income, Lynam said.

Meanwhile the government has plans to fund transportation infrastructure in coming years, something it may need to bond for, Lynam said.

Further, "as a percent of personal income, New York has the second highest debt burden among other large states, behind only New Jersey," Lynam said.

New York has not done a state-wide assessment of capital needs to determine where school technology needs should be prioritized, Lynam said. The State Board of Regents oversees New York education and in its most recent aid proposal it requested only \$1 million of additional aid for education technology, she said.

Meanwhile, per-pupil spending in New York is the highest of any state, Lynam said.

The state government has given out \$200 million for computer hardware and technology in the last five years, McMahon said.



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The problem for most school districts with internet connectivity is not that they are not connected via broadband but that if they were, the monthly charges would be high, McMahon said.

"Schools that choose to build pre-K classrooms will need to raise their annual budgets to hire staff for these programs," he said.

Some New York school board members are concerned that school districts that use the bond proceeds would ultimately incur expenses, said David Albert, spokesman for the New York State School Boards Association. Once the schools got the technology, there might be training, maintenance and other costs.

Albert said some school board members see the bonds as a way to ramp up technology, internet connectivity and to add pre-kindergarten space.

Studies of the impact of technology on educational results show that the results are minimal, Lynam said. Scholarship shows that investment in other educational approaches yields bigger results.

The Los Angeles Unified School District has had problems with what at one point was envisioned as a \$1 billion program to supply tablets to all of its more than 640,000 students.

It launched the first phase of the program when the school board voted to approve using \$50 million of existing bond authority to bring iPads and wireless infrastructure to 47 schools.

However, some raised questions about using bonds for the program, which was not part of the pitch presented to voters for the original bond authorizations. A controversy also developed over the bidding process for the project.

On Oct. 16 Superintendent John Deasy resigned. Interim superintendent Ramon Cortines, according to the web site of KPCC, southern California's public radio station, said in late October that he wants to provide computers to students but has reservations about using bonds to pay for them. The Los Angeles experience also included hardware disappearing, McMahon said.