



Title: AN ACT to amend the education law, in relation to the leasing of real property by boards of cooperative educational services

MEMORANDUM IN SUPPORT

A.7197 Paulin / S.1190 Flanagan

June 20, 2013

Currently in the Assembly Ways & Means Committee- Passed Senate

The New York State BOCES Educational Consortium strongly supports A.7197 by Assemblywoman Paulin which would allow BOCES to increase the lease term of BOCES leases from ten (10) to twenty (20) years. By extending the duration of leases, BOCES will be able to better plan future projects, save costs to component school districts, and provide greater efficiencies to the overall operations of BOCES.

It is common practice for BOCES to lease space for both their administrative functions as well as for their educational programs which they provide on behalf of their component school districts. The current law, which has not been changed since 1971, only allows BOCES to enter into lease terms for up to ten years. History has shown that many landlords prefer lease terms longer than ten years and therefore are less likely to negotiate a lower rate for ten year leases.

Increasing the authorization for BOCES to enter into twenty year leases will likely result in lower costs that will accrue to the benefit of their component districts, which in turn will save the State money. Due to the nature of the students served by BOCES, many of the leased facilities require extensive renovations. As a result, a twenty year amortization period and a twenty year lease would help BOCES to negotiate lower rates thereby reducing costs to the component school districts and to the State. Allowing longer leases would also help ensure predictability with costs and budgeting.

School districts are facing serious financial problems and need additional tools to help them reduce costs and increase efficiencies. This is an additional tool that can provide some assistance.

For these reasons, BOCES strongly supports this legislation and urges its passage.

Respectfully submitted,

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