

NASSAU-SUFFOLK SCHOOL BOARDS ASSOCIATION

Invited Testimony Presented by
JIM KADEN, N-SSBA PRESIDENT

**The Assembly Republican Task Force on
REAL PROPERTY TAX REFORM**

SEPTEMBER 28, 2007

Legislative Auditorium
William H. Rogers Building
725 Veterans Memorial Highway
Hauppauge, New York

N-SSBA
P.O. Box 385
Bellmore, New York 11710
Phone: 516-781-2053
Fax: 16-679-0401
E-mail: info@nssba.org

Good afternoon. Thank you members of the Assembly Republican Task Force on Real Property Tax Reform for the opportunity to discuss the charge given you to hold discussions on ways the property tax system can be reformed to lower taxes and lessen the burden on homeowners and businesses.

On behalf of 109 Long Island boards of education for which the Nassau-Suffolk School Boards Association is authorized to speak, I thank you for the invitation to participate in the exploration of suggestions for mitigating the burden placed on Long Island property taxpayers.

Our Association has studied a number of the proposals on the Task Force's agenda and I look forward to your questions.

Prior to beginning our dialogue, I would like to repeat the core question in the testimony our Association delivered to the Assembly Ways and Means Committee hearing on Governor Spitzer's Foundation Formula held here last spring: "Long Island schools are among the best in country and our costs are on par with schools around New York State when adjusted for regional cost differences. So why do our residents pay more?"

Long Islanders use an average of about 20% more of their gross household incomes to pay their residential school property taxes than New Yorkers in general. Since Long Island's regionally adjusted per pupil expenditures are approximately 6.6% less than the median county in New York State, and since over the past ten years, Long Island has experienced only an average 2% increase annually in per pupil expenditures, this greater than average effort is required due to Long Island's share of state aid. The local share of school district funding, which is raised primarily through property taxes, is 65% on Long Island. This is much higher than the 45% average local share in the rest of the state.

The Foundation Formula as presented by the Governor failed to adequately provide for the vast majority of our districts, most of which are average and high need. 113 of Nassau and Suffolk districts would have been "flat-lined" by being placed on save harmless status for at least four years. Long Island's Senate Delegation recognized that the Foundation Formula utilized an inadequate regional cost differential and failed to address the disproportionate local tax effort borne by Nassau and Suffolk property taxpayers. Were it not for the Delegation's success in supplementing the Formula with a High Tax Aid recognition, we would have experienced a very different level of voter support in May 2007. This bears out our long-held position that when New York State keeps up with its fair share of education costs, the financial pressure on the local level is eased.

It is with great concern that we heard of the Governor's interest in moving toward capping school tax increases. Such a move would most certainly punish those middle-income communities with little more than residential property as their tax base. Voters in these districts have struggled to ensure that their investment in their public schools is maintained despite the disproportionate share of the costs they must bear. Were the State to remove their right to provide the level of educational opportunity they desire, the gap between them and their wealthier counterparts would widen.

While our Association will continue to advocate for more equitable state funding for our schools, we also recognize our responsibility to be proactive in seeking out ways to contain costs.

Our Association and the Superintendents Associations of both counties co-sponsored a major conference to share and promote innovative collaborations among schools, village, towns and counties. Our members served on the Suffolk County Superintendents Task Force on Government Efficiencies that evolved into the ongoing cooperative relationship with Suffolk County highlighted in the a White Paper issued by Suffolk County Executive Steve Levy. I represent school boards on the Suffolk County Legislature's Commission to Evaluate School District Expenses and Efficiencies and participated on the school panel convened to present information to the New York State Commission on Local Government Efficiency and Competitiveness.

Through our Association's co-chairmanship of the Long Island Education Coalition, we work with the Long Island Association to produce an annual report on "K-12 Costs and Outcomes". Our outreach extends beyond the K-12 educational community to liaisons with Long Island foundations, universities, colleges, service organizations and business partnerships.

It is uplifting to see the level of support for public education here on Long Island. However, when interacting with many groups, the media and state and local legislators, I am constantly reminded of how little is known of the extent of school district cooperative ventures and shared services that are employed to counteract the constant pressure of increasing costs.

Again I thank you for the invitation to now join you in examining some of the cost-saving and tax-saving proposals that deserve the attention of this Task Force.