

Tax Cap Presentation for East Williston

TAX CAP

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Long Island!

The State of Long Island

How Long Island Compares to the
Rest of the State and the Nation

Long Island Schools were not “broken”

- If Long Island were a state, we would be ranked #1 in the nation in *High School Completion Rate* and *Intel Semifinalists*
- 54 Long Island high schools ranked in the top 7% of high schools in the nation by *The Washington Post*
- 21 Long Island high schools rank among the Top 300 Best Schools in America
- 50% of Long Island graduates earn a Regents Diploma with Advanced Designation compared to 27% for the rest of New York State
- Long Island’s elementary and middle school students outperform every other region of New York State by every measure maintained by the State Education Department

East Williston Schools were not “broken”

- 1 Presidential Scholar Candidate
- 7 National AP Scholars
- 116 AP Scholars
- 10 National Merit Commended Students
- 1 National Merit Hispanic Recognition Program Scholar Recipients
- 1 Intel Semifinalist
- 1 Siemens Science Regional Finalist and 1 Siemens Semifinalist
- 1 Student Published in an academic journal, Journal of the West/ 2 Students Presented Science Research at Colleges
- 5 Students advanced to Second Round at LISEF – Long Island Science & Engineering Fair
- Musicians: 1 All-National 3 All-State 2 NYS Honors Band 37 All-County 15 Long Island String Festival
- 1 Long Island Scholar Artist and 1 Certificate of Merit - L.I. Scholar Artist
- Athletics: NYS School of Distinction – All Wheatley Athletic Teams - Scholar Athlete
- 95 Wheatley students inducted into National Honor Society

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The Tax Cap & Its Consequences

*Savings overstated, while impact on
public services is harsh and
immediate*

Factors in a School Budget

- Tax Levy Cap – limited to 2%
- State Aid – still below 2010 levels
- State Aid Cap – limited to 4%
- Gap Elimination Adjustment (GEA) – reduces state aid
- Unfunded Mandates – increases costs without financial relief

Tax Levy Cap Facts You Should Know

- Took effect in 2012. Remains in effect until June 15, 2016. (Fate is tied to law regulating rent control in NYC)
- The 5 big cities are exempt from the law: NYC/Buffalo/Rochester/Syracuse/Yonkers (their funding is not tied to property tax **and** they favor rent control)
- Maximum tax levy = 2% increase of previous year's tax levy with a few allowable exemptions **or** CPI (Consumer Price Index) whichever is **lower!** This year the cost of living went up 1.46%, so the tax levy can only increase by 1.46%.

Tax Levy Cap facts, continued

- Voter approval is still needed on school budgets. Any budget that is defeated results in a 0% budget freeze
- The 2% cap can be increased only with a **60%** voter approval. (A 41% “No Vote” is greater than a 59% “Yes Vote.”)
- State aid may not exceed 4% even in good economic times when the state is flush

Tax Cap “Sticker Shock”

- Last May, many voters approved a school budget that resulted in a tax levy increase somewhere in the 2% range. Many homeowners were “shocked” to see the tax bill increase by far more than they voted on...

- **EXAMPLE**

	Tax levy %	Tax rate %	“Sticker Shock”
● Garden City:	3.19%	7.52%	+4.33%
● Syosset:	2.84%	9.13%	+6.29%
● Roslyn	2.11%	8.41%	+6.30%
● East Williston	3.21%	6.87%	+3.66%

Why The “Sticker Shock?”

Factors that Drive Up Tax Rates:

- Home Re-assessment: When one homeowner’s taxes go down due to re-assessment, other homeowners’ taxes must go up to make up the difference
- Tax Breaks: When businesses are given tax breaks, the “missing” taxes must be made up by homeowners.

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Massachusetts has a successful tax cap! Why can't New York?

Well, there are some important differences!

Tax Cap Comparison, NY vs MA

Element/Condition	Massachusetts	New York
CAP FUNCTIONS		
Failed Vote/No Vote	2.5% Increase	0.0% Increase
Simple Majority	Can Exceed Cap	Needed for 2.0% Increase
Supermajority override (=60%)	None Needed	Needed to Exceed Cap
ECONOMIC CONDITIONS		
10 Year Enrollment Trend	-21%	-3.6%
State Aid History	CPI +8.6%/Year*	CPI-Only
State Economic Growth	"Massachusetts Miracle"	Uncertain
STUDENT CONDITIONS		
Students in Poverty	15%	23%

Gov. Cuomo's Current Proposals: How will we pay for this long-term?

- Universal Pre-K
- \$20,000 teacher merit bonuses
- \$2 billion tax relief proposal — tax cuts for renters, property and business owners and upstate manufacturers
- Tax relief would be given to property owners who live in localities which stay under the tax cap – incentivizing people to vote AGAINST piercing the tax cap
- Start Up NY – ten year tax breaks to new businesses
- “Voucher” Legislation – for corporations who donate to public **or** private schools in exchange for tax credits of equal value.

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The Effect of the 2% Tax Cap

How Districts Will Be Affected

- Remember, while called a 2% tax cap, without voter approval it is a 0% tax cap. Six of the seven LI districts that attempted to pierce cap last year failed – all had a majority vote but not super-majority. Tax credits for keeping school budgets within 2% gives more incentive for people to vote “No” this year.
- Most costs beyond local control (with limited exceptions) must fall under the 2% tax cap, including unfunded mandates (APPR, DASA, AIS, etc.) and increased school enrollments. (State aid does not increase with increased enrollment.)
- \$ Millions have to be cut each year = Existing programs reduced or eliminated. ‘Any programs eliminated now will not be restored in our lifetime’ (Johnson). (East Williston cut \$2 million last year and will cut \$800,000 this year)

More Effects

- Districts struggle to determine which programs should be eliminated or modified (sports, music, library, enrichment programs, electives, etc.)
- What effect will these cuts have on college admissions? Continued cuts to music, art and sports may impact scholarship opportunities.
- Other districts are already experiencing class sizes increases, staff reductions (including teachers, nurses, department chairs, etc.) and school closings

Effects on East Williston

2013-2014 Cuts

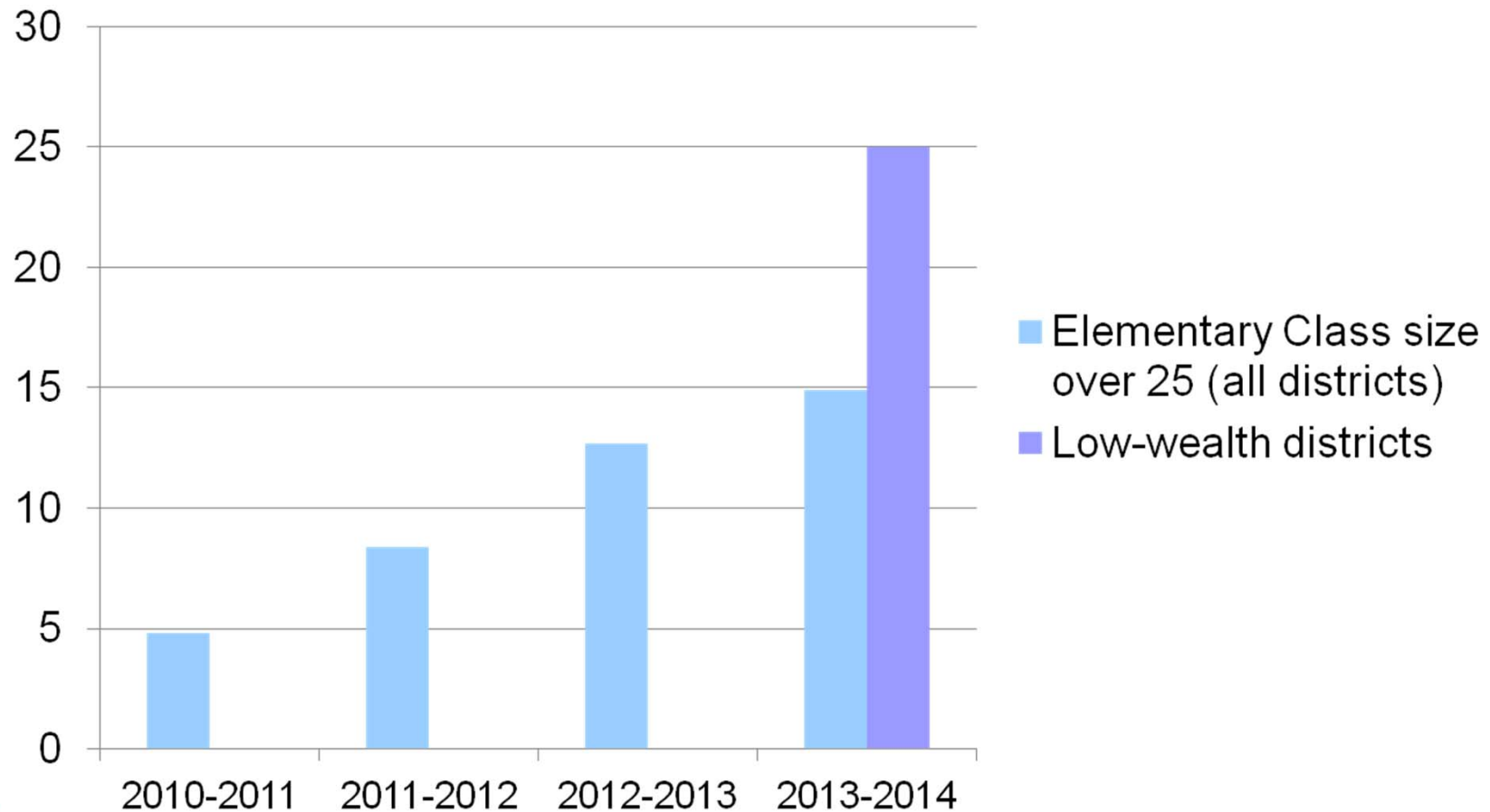
- 5 Teacher Assistant positions eliminated
- 1 Teacher Assistant reduced FT to .6
- 1 Technology Teacher eliminated
- 1 Elementary Teacher eliminated
- .5 Foreign Language eliminated
- .5 Speech Improvement eliminated
- 7-12 Math reduced FT to .2
- 7-12 Social Studies reduced FT to .2
- Art reduced from .8 to .4
- Phys Ed reduced from FT to .8 and .6 Phys Ed eliminated
- 1 Spec Ed retirement not replaced
- 1 Maintainer eliminated
- 1 Clerical eliminated
- First Grade Readiness Class eliminated
- Lincoln Center Program eliminated
- Team Leader and Cluster Leader eliminated (Teacher Support in ES and MS)
- Reorganized 5th Grade from Middle School Model to Elementary School Model
- Replace Curriculum Assistants (K-12) with Department Chairs for Secondary and Elementary Content Areas

More Effects on East Williston

Proposed 2014-2015 Cuts

- Eliminate Summer Genetics Research Program
- Eliminate 1 Elementary Teacher
- Wheatley Walkathon will be partnered with Homecoming
- Eliminate Mandarin
- Counseling Services – Internal Transfers and Realignment of Support Programs to fill Open Guidance Position
- Friday Night Recreation – Reduce Number of Sessions
- Eliminate JV Golf
- Co-Curricular Field Trip Transportation – all Non-Competitive Clubs Limited to only One Field Trip
- Eliminate 3-5 Health Education
- Reduce .4 Special Area Teacher (Art)
- Eliminate 1 FT Typist Clerk in Guidance Office
- Eliminate 1 FT Monitor Position and 5 PT Monitor Positions
- Eliminate 2 PT Cleaner Positions

Impact of Tax Cap on Class Size



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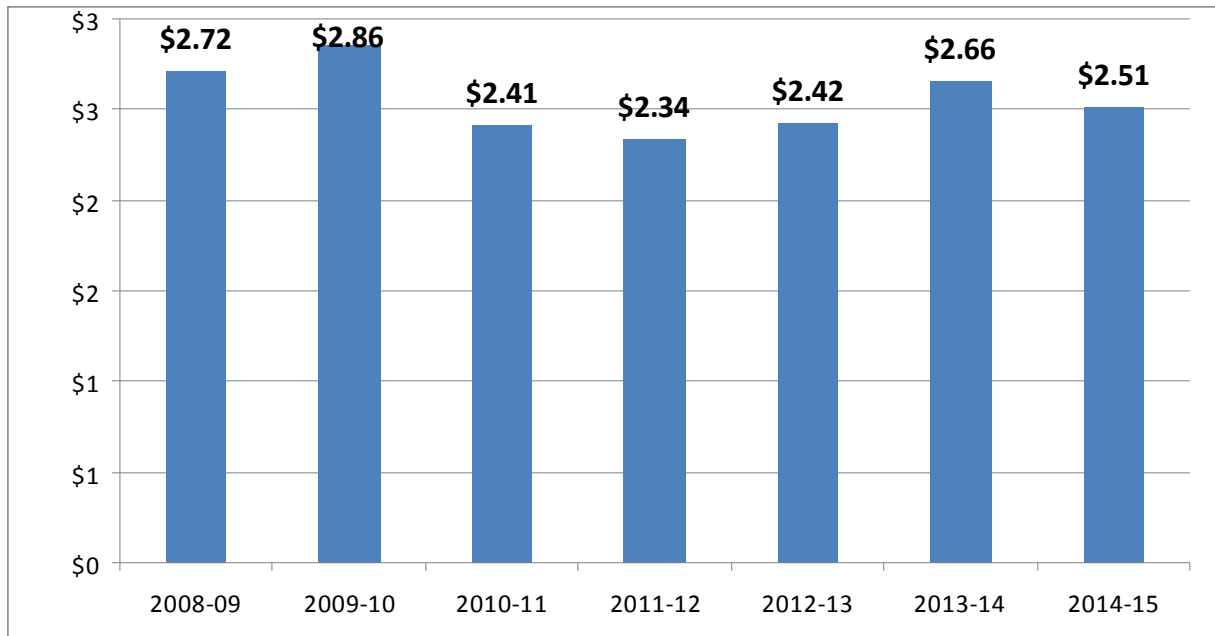
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Local Impact on East Williston

PART III

State School Aid to East Williston

East Williston's state aid is has stayed relatively stable but still below 2008-2009 levels and dropping this year...

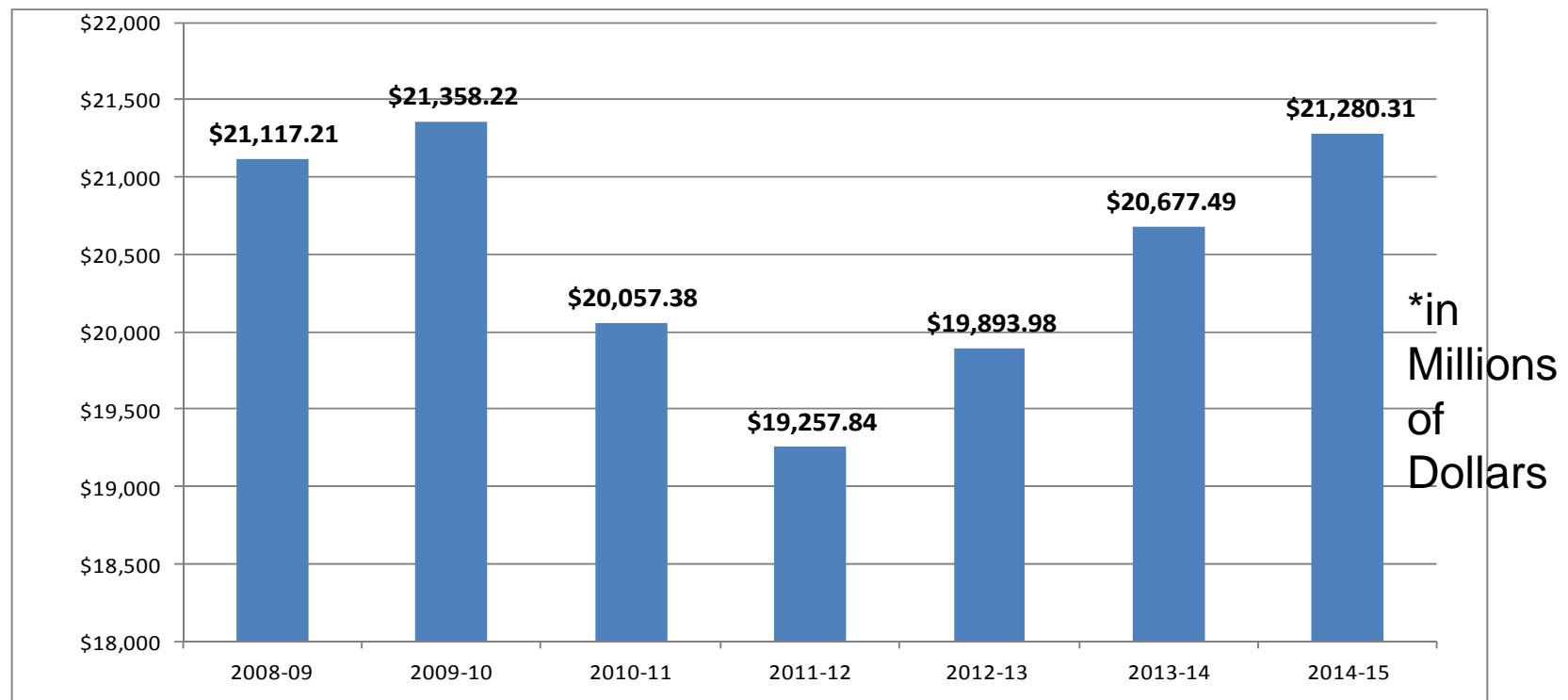


*in
Millions of
Dollars

Most (70%) districts' state aid levels are still below 2010 levels. In tandem with the tax levy cap, the state's share of the cost of public education has also declined.

New York School Aid Over Last Seven Years...

New York State Aid overall has not returned to 2009-2010 levels...

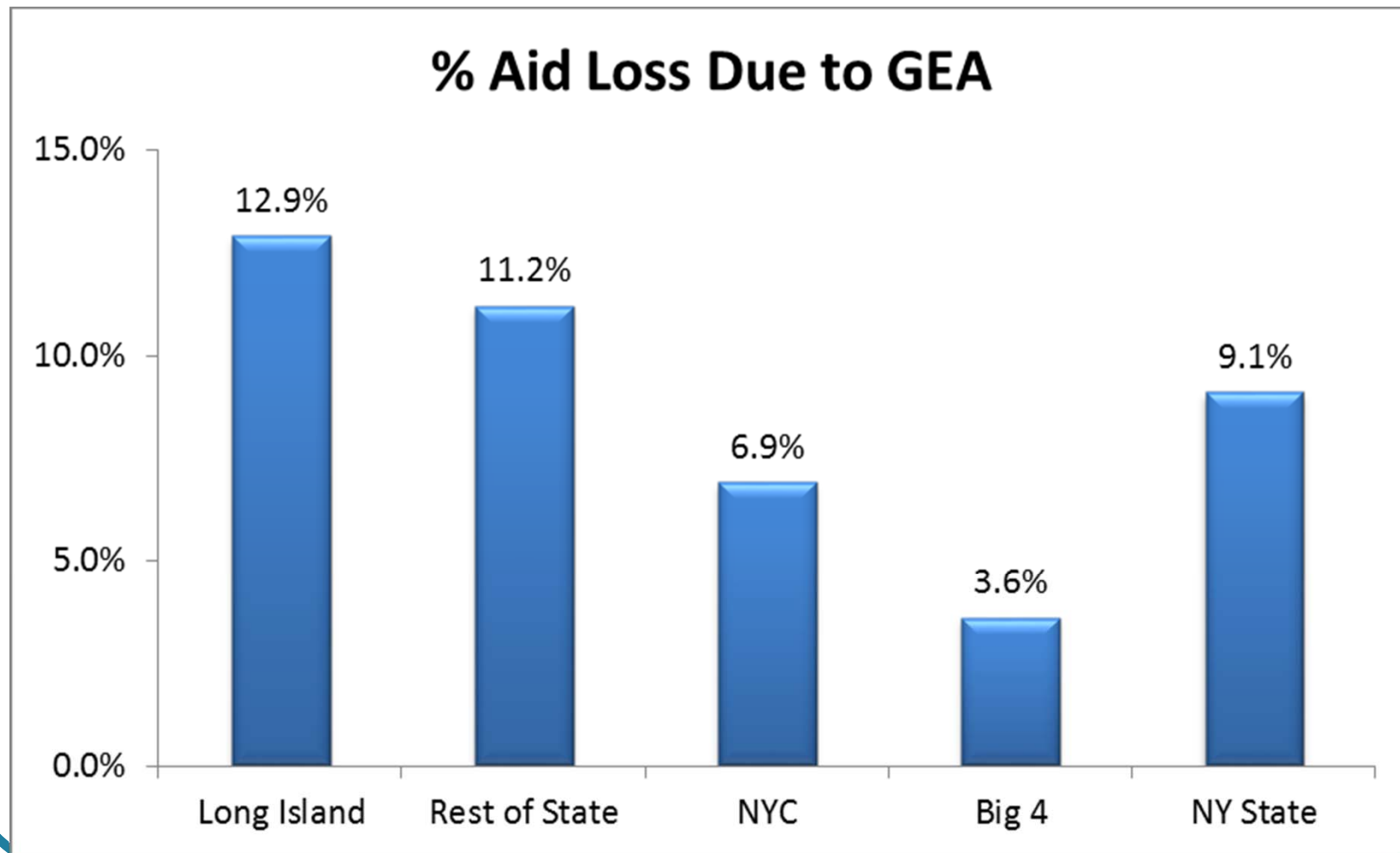


70% of districts have not returned to 2009-2010 levels and show drops similar to graph above.

Impact of the GEA

- The Gap Elimination Adjustment (GEA) is a formula in the state budget that reduces the amount of aid each school district is entitled to receive. Introduced in 2009-10 (under former Gov. Paterson) in order to partially reduce New York's \$10 billion budget deficit. The GEA continues even though we now have a \$2 billion surplus in the state budget.
- The Gap Elimination Adjustment (GEA) has reduced state aid to Long Island school districts by nearly \$1 billion over the past three years. The GEA further reduces our region's disproportionately low share of aid generated by the funding formulas.
- Had the 2013-14 GEA been eliminated when the state budget was established, Long Island's current school tax levy would be nearly \$300 million, or 4% lower. The GEA increases dependence on local property taxes to fund our schools.

The Effect of the GEA Across NY...



The Effect of the GEA Closer to Home...

FOR EXAMPLE:

	<u>Total 3 yr loss</u>	<u>2013-14</u>	<u>Per Student</u>
● Garden City:	\$3.14 million	-\$970,000	-\$242
● Hempstead:	\$15.48 million	-\$5 million	-\$475
● Syosset:	\$6.85 million	-\$2.1 million	-\$332
● Roslyn	\$2.67 million	-\$811,832	-\$254
● Great Neck	\$4.99 million	-\$1.6 million	-\$247
● Jericho	\$2.72 million	-\$830,658	-\$277
● East Williston	\$1.60 million	-\$460,777	-\$265

Projected Use of East Williston Reserves

Meryl, do you have any information on East Williston's reserves? Are there any reserves left? When does EW expect to use them up? I found an interview with your superintendent in 2011 where you had \$2 million in reserves and a East Williston BOE document stating \$1.8 million in reserves for 2014.

I will delete this slide if information is not available by Monday.

Local Impact of Testing

- Cost of Testing for East Williston's 2012-2013 School Year
=\$???? (Some districts estimate cost as high as \$500,000-\$1,000,000 per year.) **Meryl, do you know how much testing is costing EW? I will modify this if we cannot find the information by Monday.**
- Total School Days Used for Administration of Tests
 - ELA, Math, Science (3-8) ---8 days
 - Scoring ELA, Math, Science (3-8) – 5 days
 - SLOs and PBAs – 4days+
- Test Prep: Lost days of instruction and cost of test prep materials
- Last year, Commissioner King “predicted” a 35% pass rate on state test = artificially high numbers of students for AIS services

New York State continues to implement unfunded mandates including the Common Core, which requires extensive teacher training (not funded). Further, is chronic testing of our children necessary? Who pays for this? Coming soon: PARCC!

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What Can We DO?

Resolutions

Why East Williston Cares?

- We have family and friends in other districts
- District reserves won't last forever. Some predict most districts will hit the wall in less than four years.
- If we let other districts fall, who will be left to support us?
- Nine LI districts are in "moderate to significant" stress and another seven are "susceptible."
- Albany is surprised and has no plan to help.
- Property values are tied to the quality of our schools.
- School funding kept to such a low level can only force successful schools to dismantle programs over time.

You can Take Action!

- Attend your local BOE meetings to learn what is being cut and ask if it is because of the Tax Cap;
- Ask your District to provide a list of what has been cut out or cut back due to the tax cap and high stakes testing;
- Share this information with neighbors, family, organizations of which you are a member
- Contact your local representative and tell them that you are opposed to the 2% tax cap. Possible alternatives to suggest are:
 - simple majority vote
 - exempt costs that are beyond a school district's control
 - Allow for reserves to be created for NYSTRS (Pension Fund) costs
 - Allowance for increased enrollment
 - Increase state aid
- Sign the form letter provided at tonight's presentation!!

You can Take Action!

- JOIN *TALI*: info@TakeActionLI.org
- CALL/WRITE to the Governor and your legislators – Find contact info on our website: www.TakeActionLI.org
- TALK with your neighbors/friends/colleagues!
- First-to-Worst video: [Click here!](#)
- Install NYSUT MAC app on your phone!