

School spending frustrates highly taxed burbs



Joseph Spector, Albany Bureau Chief 9:01 a.m. EDT May 11, 2016



(Photo: Getty Images/Ingram Publishing)

The issue is what you hear from your neighbors and friends, and those who have moved to other states: Property taxes in New York are too high.

The New York City suburbs pay the highest taxes in the nation ([/story/money/personalfinance/2015/04/23/westchester-property-tax-bill/26232255/](#)). Upstate, residents pay the highest taxes compared to home values. As voters go to the polls Tuesday to vote on their school budgets, the frustration is palpable across the state. And school officials are urging their communities to support their spending plans in the face of higher taxes.



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Proposed 2016-17 school district budgets in Westchester, Rockland and Putnam | lohud.com

(<http://data.lohud.com/embeds/proposedbudget/>)

And school taxes represent about 60 percent of a homeowner's bill.

"I have friends who retired to Arizona and one of the reasons they cited was the taxes," said John Rea, 62, of Pearl River. "Another friend moved to South Carolina and said the same thing. But, if you want to live here, you live in a place with high taxes."

I'M OUTTA HERE: New Yorkers flee high taxes ([/story/news/education/2016/05/11/new-yorkers-flee/84144608/](#))

REPERCUSSIONS: Tax-cap consequences ([/story/news/education/2016/05/11/school-aid-increases/84179936/](#))

This year's budget vote comes amid a confluence of factors:

- New York has the highest out-migration rate of residents in the nation, a review by Gannett found.
- New York spends the most per pupil in the nation on its schools: \$19,818 per student, or 85 percent above the national average, U.S. Census data show.
- In 2011, New York installed a property-tax cap that has limited spending increases to 2 percent a year or the rate of inflation, whichever is lower. This year, the cap will be limited to 0.12 percent. ([/story/news/politics/politics-on-the-hudson/2016/01/20/schools-property-tax-cap-year-012/79052434/](#)) In some districts, it'll be lower, even requiring a lower tax levy than last year.
- School aid is set to hit \$24.8 billion for the school year that starts July 1, a 6.5 percent increase.
- Since the 2011-12 school year, school spending by the state has increased nearly 27 percent — up from \$19.6 billion, records show.

TAX CAP: What you should know ([/story/news/education/2016/05/11/new-york-tax-cap/84194230/](#))

REBATES: 5 state programs explained ([/story/news/education/2016/05/11/ny-tax-rebates/84196960/](#))

STAR: Program changes Q&A ([/story/news/education/2016/05/11/star-exemption-changing/84199454/](#))

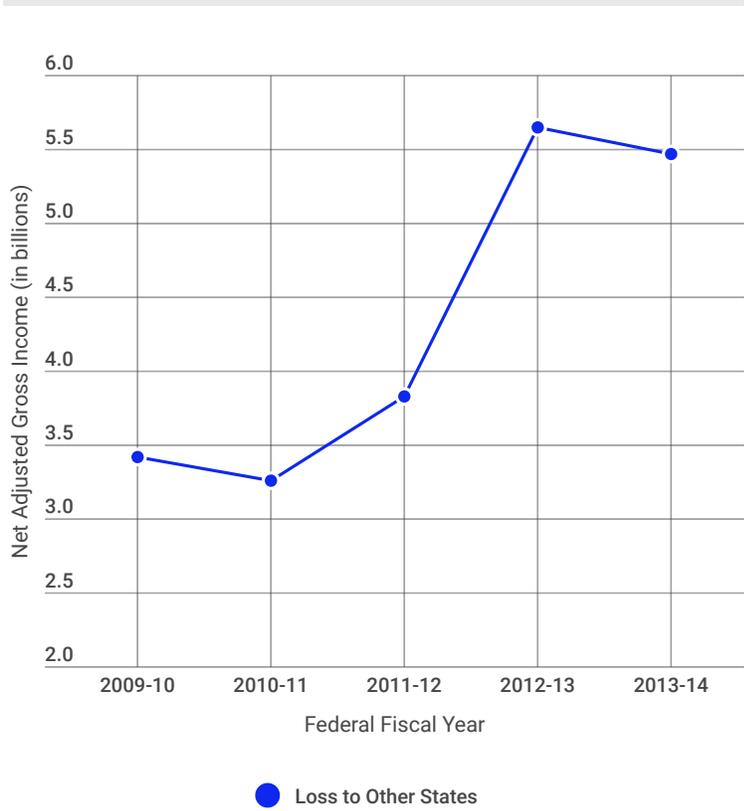
The increase in school aid will limit tax increases this year, but it also comes as schools face a near zero property-tax cap.

"It's a very low tax cap year, which made the school aid increases critically important for all school districts and not just the typical high-need districts, which rely heavily on state aid," said Michael Borges, executive director of the state Association of School Business Officials.



New York State Education Department building in Albany (Photo: Submitted)

Out-Migration Income loss for NY State



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Tax-cap fight

Gov. Andrew Cuomo and the state Legislature approved the tax cap, and it had the intended impact, from their perspective.

Prior to the cap, school taxes grew an average 5 percent a year; the increases have been about half that since.

"The property tax is the killer tax in this state, and it has been for a long time," Cuomo said in his Jan. 14 State of the State address.

But, with a low tax cap, more districts are asking voters to override it at the polls Tuesday.

This year, 36 districts will attempt a tax cap override, compared to 18 last year, according to the New York State School Boards Association. Districts seeking to override will need a 60 percent "supermajority" at the polls.

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EXCHANGE&UTM_CAMPAIGN=MAY&UTM_CONTENT=AGILITYZONE)

Bedford is the only district in Westchester, Rockland and Putnam counties attempting to override the tax cap with a proposed 3.8 percent tax-levy increase to help fill a [\\$8.9 million funding gap \(/story/news/education/2016/03/24/superintendent-pitches-budget-gap-plan/82167590/\)](#).

[DATABASE: School administrator salaries in NY \(http://lohud.nydatabases.com/database/administrator-salaries-ny-school-districts\)](http://lohud.nydatabases.com/database/administrator-salaries-ny-school-districts)

[CHECK YOUR DISTRICT: Educator salaries in NY \(http://lohud.nydatabases.com/database/educator-salaries-new-york\)](http://lohud.nydatabases.com/database/educator-salaries-new-york)

[DATABASE: Teacher pensions in NY \(http://lohud.nydatabases.com/database/teacher-pensions-new-york\)](http://lohud.nydatabases.com/database/teacher-pensions-new-york)

[FIND YOUR DISTRICT: School tax levy report cards \(http://lohud.nydatabases.com/database/school-tax-levy-report-cards\)](http://lohud.nydatabases.com/database/school-tax-levy-report-cards)

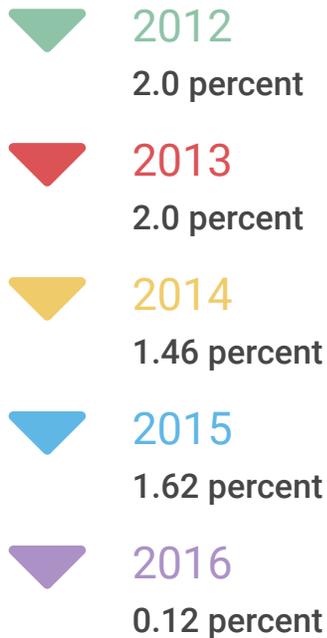
"The 2 percent tax cap is not really a 2 percent tax cap," said Timothy Kremer, the school board association's executive director. "The quirks and vagaries of the cap formula mean it can fluctuate widely from year to year and district to district."

As inflation has fallen, so too has the cap.

(Article continues below video.)

It has also created an anomaly: 95 districts are facing negative tax caps this year, school officials said. Of those, two are in Rockland and five are in Westchester. They are: Nanuet, North Rockland, Katonah-Lewisboro, Hendrick Hudson, Pocantico Hills, Irvington and Somers. No districts in Putnam are facing negative caps.

TAX CAP SHRINKS



The property-tax cap for schools each year is 2 percent or the rate of inflation, whichever is lower. As inflation has dropped, so too has the tax cap.

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Seneca Falls schools Superintendent Robert McKeveny is up against a negative cap and is trying to explain to voters that the district would actually have to cut spending to stay under the cap.

Instead, the Finger Lakes district is seeking an override, and a 1.9 percent tax-levy increase. If the vote fails, the district gets one more shot on June 21. Otherwise, it won't be able to raise taxes at all.

"It is a community that has greatly supported the school district, and the district is a focal part of the community," McKeveny said.

Highest taxes

New York's tax burden of nearly 13 percent of average household income is the highest in the nation, [according to the Tax Foundation, a fiscally conservative Washington group.](http://taxfoundation.org/state-tax-climate/new-york) (<http://taxfoundation.org/state-tax-climate/new-york>)

"I don't think there's a person who would say the taxes are not too high. It's a consensus here," said Keith Gellman, 55, of Scarsdale. "But you get used to it. You can't afford to hang here unless you make a significant income. You never could or, at least in the last decade or two, I've seen it that way."

Indeed, New York's high taxes are no secret.

But it's also why the state has so many different programs to try to curb property taxes.



Keith Gellman of Scarsdale said high property taxes come with living in an area with great schools. (Photo: Peter D. Kramer/The Journal News)

New York has five different property-tax programs ([/story/news/politics/blogs/vote-up/2015/06/25/five-ways-ny-tries-to-curb-the-highest-property-taxes-in-the-nation/29271397/](http://story/news/politics/blogs/vote-up/2015/06/25/five-ways-ny-tries-to-curb-the-highest-property-taxes-in-the-nation/29271397/)) to curb costs: a STAR rebate; a tax freeze; a check tied to household income; a check for people with children under 17; and the tax cap.

All the incentives have drawn criticism as merely masking the underlying high cost of living. Schools and municipalities say that, if state government took over more local expenses, property taxes could be lower.

"In 2015, nine state mandates consumed 99 percent of the property taxes levied by counties across the state, outside of New York City," the state Association of Counties said.

For schools, they are benefiting from a decline in pension costs ([/story/news/local/new-york/2015/11/08/school-pension-costs-fall/75426594/](http://story/news/local/new-york/2015/11/08/school-pension-costs-fall/75426594/)) — which had soared after the recession.

They are also aided by a drop in enrollment. Schools outside New York City are projecting a decrease in enrollment of about 9,200 students, or a 0.6 percent drop.

An exception is Yonkers, where enrollment in 2014-15 was 25,210, up 7.8 percent since 2009-10 when the number was 23,381.

Also this year, the state Legislature and Cuomo agreed to eliminate a nagging cost to schools: a \$434 million tab called the "gap elimination adjustment" that was levied on districts during the recession.

School Aid on the Rise

Year	Base Year	Enacted	Change	% Change
2016-17	\$23,289.96	\$24,796.90	\$1,506.94	6.47%
2015-16	\$22,149.57	\$23,501.68	\$1,352.11	6.10%
2014-15	\$21,109.24	\$22,236.70	\$1,127.46	5.34%
2013-14	\$20,236.08	\$21,228.24	\$992.16	4.90%
2012-13	\$19,541.71	\$20,346.68	\$804.97	4.12%
2011-12	\$20,923.61	\$19,640.66	(\$1,282.95)	-6.13%
2010-11	\$21,686.62	\$21,033.50	(\$653.12)	-3.01%
2009-10	\$21,350.19	\$21,692.06	\$341.87	1.60%
2008-09	\$19,579.65	\$21,260.10	\$1,680.45	8.58%
2007-08	\$17,878.76	\$19,531.73	\$1,652.97	9.25%



School Aid On the Rise (<https://infogr.am/7a22f77a-7662-4bef-9690-5506b9e45a8d>)
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The increases "enabled schools to make needed investment and keep the tax increase to a minimum," said Carl Korn, a spokesman for New York State United Teachers, the teachers union.

But the money isn't equally distributed, charged David Friedfel, director of state studies at the Citizens Budget Commission, a business-backed group.

Less than half the \$1.4 billion increase will be distributed through Foundation Aid, the state's primary funding mechanism. The rest goes out through various funding formulas that benefit wealthy districts, the group said. (<http://www.cbcny.org/cbc-blogs/blogs/state-school-aid-increases-anything-progressive>)

"The distribution formula doesn't direct need to those places that have highest need with the lowest ability to pay," Friedfel said.



John Rea of Pearl River said he has friends who cited high taxes in helping them decide to leave New York for Arizona and South Carolina. (Photo: Peter D. Kramer/The Journal News)

While there are plenty of people who look askance at high property taxes, Pearl River's Rea takes the long view, as the price he pays for living where he lives.

"The way I look at it, the people who came before me paid high taxes to make good schools for my kids. I pay high taxes to make good schools for the next generation," he said. "I'm paying it forward."

Staff writer Peter D. Kramer contributed to this report.

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