

LI school taxes projected to rise less than 1 percent for 2016-17

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Harborfields Superintendent Diana Todaro answers questions about the district's proposed 2016-17 school budget during one of a series of informational Q&As on Wednesday, March 9, 2016, in Greenlawn. (Credit: Newsday / Thomas A. Ferrara)

School taxes across Long Island are expected to rise less than 1 percent on average for the 2016-17 academic year — the lowest increase in decades — and experts say the figure probably will drop further after lawmakers in Albany decide how much state financial aid to

give districts.

The average tax-levy hike for school districts in Nassau and Suffolk counties is projected at just 0.73 percent, according to figures compiled by the state comptroller's office. That's less than half the Island's 1.88 percent average increase for the current school year, and the lowest estimated boost for any region in the state.

The projected figure represents the tightest controls on school taxation since New York State's property-tax cap took effect in the 2012-13 academic year, reflecting both the strict cap limitations and low inflation. The net effect is that districts find themselves more dependent on state aid than ever before.

"In the past 47 years, I don't remember ever seeing a proposed tax increase below 1 percent," said Joseph Dragone, assistant superintendent for business in the Roslyn district and one of the region's most experienced analysts of school financial issues. "My guess is that the average levy will actually be less than that when all is said and done."

Tax levies are total dollars collected for schools, towns and other local governments through local property taxation. School taxes account for \$8.4 billion in revenues Islandwide, more than two-thirds of homeowners' overall tax bills.

The cap law, enacted in 2011, restricts annual increases in levies to a baseline of 2 percent or the inflation rate, whichever is lower. Next year's cap uses an inflation factor from the 2015 calendar year of 0.12 percent — virtually, a zero increase in the base rate.

Each school district's tax cap is different, largely because the law exempts increases in several

categories of spending. Those include interest payments on bonds for school construction and renovation projects approved by voters.

School systems will learn how much state aid they are receiving after lawmakers pass the budget, which is supposed to occur April 1. Districts then will finalize their proposed budgets and tax levies before residents in Long Island's 124 districts and about 700 other systems across the state vote May 17 on the spending plans.

Projected levy changes for 2016-17 range from a high of a 12.85 percent increase in the tiny Shelter Island district to a low of minus 2.05 percent in the Islip system, though most show a percentage rise of less than 2 percent. Several, such as North Shore and William Floyd, show increases of more than 2 percent.

Thirteen districts in Nassau and Suffolk counties, including Islip, show projected levy amounts that have dropped below zero, and face the possibility of having to cut taxation next year rather than raise it even slightly. Only two local districts faced the same prospect at this time last year.

Five districts — including Sachem, the region's second-largest — have told the state comptroller's office that they may seek to override their cap in May voting. An override requires approval by 60 percent of those voting rather than a simple majority vote of 50 percent.

Bruce Singer, Sachem's associate superintendent for business, said the district's tentative decision to try to exceed its cap could be reviewed if Sachem receives enough extra state aid to compensate for the restrictions on local tax revenues.

The other four systems that indicated to the comptroller they may pierce their caps were Amagansett, Bridgehampton, Greenport and Shelter Island.

In addition to those five districts, several others — including Harborfields, Islip and Port Washington — are considering override attempts, though local officials emphasized they also are weighing other options.

At an informal public meeting Wednesday night, Harborfields administrators told parents and other residents that a decision on whether to exceed the district's projected 0.37 percent cap for 2016-17 could ride largely on how much extra aid is received from Albany.

Parents listened closely. The 3,200-student district is the last on the Island to have half-day kindergarten, and many parents would like to expand those classes to full-day if the district can afford it.

One hope is that Albany next year will repay Harborfields about \$700,000 in Gap Elimination Adjustment, or GEA, funds. The term is applied to funding that was cut throughout New York in 2009-10 and 2010-11 to help close a massive state budget deficit.

"There is one crucial item hanging out there," said Francesco Ianni, the district's assistant superintendent for administration, referring to the issue of GEA restitution. "Everybody's saying 'You're going to get it. You're going to get it.' But we can't be sure."

Leaders of state-level education organizations have estimated that lawmakers need to approve an overall aid increase of \$1.7 billion just to meet payroll raises and other expenses and to keep school programs running at current levels. That goal appears nearly within reach, based on recent moves by state lawmakers.

The State Senate's Republican majority this week is calling for an increase of more than \$1.6 billion statewide. Democrats who control the Assembly endorsed a \$2.1 billion hike last week. Gov. Andrew M. Cuomo, in his annual budget message in January, proposed \$991 million in extra aid.

Senate Republicans also have vowed full restoration next year of GEA money — a move that would be worth \$117 million to schools in Nassau and Suffolk counties alone. Restitution would be a particular break for middle-class and wealthier districts that bore the brunt of the original aid cuts.

Any imminent change in the cap law itself appears highly unlikely.

In June, the legislature extended cap limitations for another four years, to 2020. A series of public opinion polls sponsored by upstate Siena College have found that majorities of 65 percent or more of those surveyed favor such continuation.

Education organizations continue to assert that the law should be tweaked at least, to avoid drastic spending limitations in times of low inflation. One suggestion advanced by the New York State Association of School Business Officials and other Albany-based groups is to set the baseline cap at a flat 2 percent, rather than factoring in inflation.

“This year dramatically demonstrates fundamental flaws in the tax cap,” said Michael Borges, executive director of the school business group. “A tax cap that is tied to an inflationary number that does not reflect school district costs and which results in negative levies should raise concerns with both state policymakers and the general public that want a quality education for our students.”

Susan Schnebel, superintendent of Islip schools, said that next year’s downward fluctuation in the cap could leave her district with \$1.1 million less in operating funds than it has this year.

“It’s unacceptable,” said Schnebel, who also is president of the Suffolk County School Superintendents Association.

Aides to Cuomo, on the other hand, said the cap in its current form has succeeded in curbing growth in school taxes that used to increase regularly each year by more than twice the rate of inflation. The Cuomo administration regards the cap law as a signature accomplishment.

“We make no apologies for enacting a tax cap that broke the cycle of skyrocketing property tax increases,” said Rich Azzopardi, a Cuomo spokesman.

Andrea Vecchio of East Islip, a longtime activist in local and regional taxpayer groups, said that fluctuations in caps can be considered desirable.

“It was designed to be flexible when times weren’t good, and we’re almost in deflation now,” said Vecchio, co-founder of the regional Long Islanders for Educational Reform group. “I just hope people won’t be fooled by proposals for tax-cap overrides.”

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