

Voters will face modest tax hikes for schools next week

Tax cap, state aid and low inflation keep property tax hikes in check

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Here's a basic taxpayer math question: What do you get when you take an increase in state aid, then add low inflation and a tax cap?

Answer: Some of the lowest school tax hikes in years, according to a recent survey.

New York's overall school property tax levy — or the amount raised locally for the state's 669 school districts — is proposed at approximately \$21 billion this coming fiscal year, compared to \$20.7 billion in the 2015-16 year. (School fiscal years begin in July.)

That works out to a median boost of just under 0.7 percent, which is the lowest rise in six years, according to an analysis released Monday by the state Association of School Business Officials.

"School leaders, particularly school business officials, have crafted budgets that continue to incorporate efficiencies and cost savings measures," said **Michael Borges**, the association's executive director, in a statement.

The modest increase is due to the state's flexible tax cap, which limits levy increases to 2 percent or the Consumer Price Index, whichever is lower.

The CPI used for this year's taxes was 0.12 percent, reflecting a low overall rate of inflation.

Even so, school spending overall will increase 2.2 percent this coming year.

A generous state aid package in this year's budget is making up the difference. Lawmakers and Gov. **Andrew Cuomo** agreed to restore money that was cut through the so-called Gap Elimination Adjustment, reductions made in the wake of the 2008 recession.

Overall, state aid to schools this year will be a record \$24.8 billion, up 6.5 percent from the previous fiscal year.

Tax increases for individual districts vary, of course. And 36 districts propose exceeding the cap, which can be done with the approval of 60 percent of voters. That figure doubles the number of districts that sought to exceed the cap last year, according to the state School Boards Association.

In the greater Capital Region, districts in Gloversville, Northville, Mechanicville and Fort Edward are seeking overrides. All of those districts are facing negative caps: Due to the way the cap is configured, some districts must actually lower their taxes unless they have a 60 percent override.

A negative cap can be caused by a number of reasons, including a district's receipt of a payment in lieu of taxes, such as for a new business park, or when a capital expense goes away after years in the debit column.

The increased state aid definitely helped districts contain their local property taxes.

In Albany, for instance, the board is proposing a budget with no property tax hike but a spending increase of 4.5 percent. The proposed budget is \$234 million, up from \$223.9 million, according to State Education Department data.

Voters on Tuesday, May 17, will go to the polls to cast ballots on their school district budget proposals.

Some observers point out that the state's overall student population is shrinking. Student enrollment in New York has dropped by 111,999 to less

than 2.55 million.

The Empire Center, a fiscally conservative think tank, noted last month that between the 2008-09 and 2014-15 school years, districts eliminated 29,922 net jobs to just over 235,000 people.

The rising costs, the Center noted, are in part attributable to built-in automatic STEP or longevity pay raises built into most teachers' contracts.

For instance, they noted that from 2008-09 to 2014-15, the statewide median teacher salary rose by 13 percent.

The business officials agreed that enrollment is down overall, but "high need" districts with lots of kids in poverty or those who don't speak English are seeing an increase, which also helps push up overall costs.

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