

School budgets shifting tax burden to state dollars

John R. Roby, jroby@pressconnects.com | @PSBJRoby 3:54 p.m. EDT May 11, 2016



(Photo: Dutko, Getty Images/iStockphoto)

As school districts prepare to open their budgets to the public this week, many of New York's highly burdened taxpayers can expect a bit of relief — though they might have to look carefully for it.

Data compiled from the New York comptroller's office, statewide education organizations and adopted school budgets shows that for 23 of the 27 public school districts in Broome, Tioga, Chemung and Tompkins counties, the proportion of local dollars that will fund school operations next year is expected to decrease. In the other four, that proportion is projected to either hold steady or increase only a fraction of a percentage point.

In other words, most school districts are planning to shift more of the tax burden to state sources, away from local taxpayers. On average in those 27 school districts, local taxpayers will foot 0.8 percent less of the bill than they did last year. For Johnson City, the total is 2.6 percent less, followed by Groton at 2.3 percent and Candor at 2 percent.

All told, local tax dollars would account for an average of 41.7 percent of operating revenues for the 27 districts next year. The local burden ranges from highs of 72 percent for Ithaca City School District and 65 percent for Vestal Central School District to lows of 26 percent for the Elmira City School District, and 21 percent for Tioga Central and Harpursville.

Local boards of education statewide have [adopted their budgets \(/story/news/local/2016/03/22/central-new-york-school-district-budgets-2016-17/81544278/\)](#) for next year, and this week school districts will begin to hold public hearings and make budget reports available to the public. Voters will choose to adopt or reject budgets May 17.

New York's share

Depending on how the numbers are calculated, New York is either first or second in per-pupil spending nationwide. The National Center for Education Statistics reckons New York's median per-pupil spending in 2013 was \$19,000, second only to Alaska's total of \$26,400. By the U.S. Census Bureau's count, New York was first in 2013 at about \$19,800, slightly ahead of Alaska. And by many measures, New York has [the highest per capita taxes \(/story/news/2016/04/21/analysis-ny-leads-nation-per-capita-income-taxes/83335738/\)](#) in the nation.

While local taxpayers do contribute to the state aid that helps fund their school districts, those aid dollars are spread across New York's entire revenue-generating population. So an additional \$100,000 from the state would pinch property owners in that lucky district less than the same amount levied by the district would.

Moreover, the local decline will come as overall spending is projected to rise. Aid to schools in New York will soar this year to \$24.8 billion, a 6.5 percent increase over last year, and about \$500 million more than Gov. Andrew [Cuomo initially proposed \(/story/news/local/new-york/2016/01/13/cuomo-proposes-nearly-1b-more-schools/78760630/\)](#).

The increase in aid includes [restoring the last \\$434 million \(/story/news/local/new-york/2016/01/11/senate-republicans-vote-eliminate-gea/78649728/\)](#) remaining from the Gap Elimination Adjustment, a series of cuts made to districts starting in 2009 amid the state's fiscal woes. Schools have seen slow rises in state aid since it was frozen that year, and some districts are beginning to restore cuts they made to tighten their belts.

Horseheads Central School District in Chemung County, for example, is planning about \$800,000 in restorations next year. That includes positions such as elementary classroom teachers, coaches and grade-level chairpeople, along with extracurricular funding lines — all of which had been lost starting in 2009 when state aid freezes and cuts went into place, Superintendent Thomas J. Douglas said.

Douglas said the district used both state aid increases and restructuring within the budget to restore cuts while staying within the tax levy limit — which for his district was essentially zero. Horseheads will begin to bond for bus purchases over multiple years, he said, freeing about million dollars to put toward direct education costs.

"We can never cut our way to excellence," he said. "But we're able to cut taxes, grow our budget a little bit and strengthen our educational programs at all levels."

The state aid increase comes as schools are dealing with a 0.12 percent property tax cap when they ask voters to approve their budgets May 17. The state's property tax cap limits the amount of new funds a district can levy to 2 percent a year or the rate of inflation, whichever is lower.

Although the tax cap number is officially reported as 0.12 percent, that figure is one part of an eight-step calculation that leads each school district to a unique tax levy cap. In other words, every school district has its own tax cap number. That number includes a host of subtractions and exemptions and carryovers, so it almost never matches the state's cap number. Among the school districts in Broome and Tioga counties budgeting for next year, tax cap numbers range from negative 0.45 percent to 7.63 percent, all while meeting the "0.12 percent tax cap."

The tax cap has saved New York homeowners as much as \$7.6 billion in school taxes since it began, according to [a 2015 report \(/story/news/politics/2015/05/19/report-new-york-tax-cap-savings/27610247/\)](#) from the fiscally conservative Empire Center for New York State Policy. Cuomo's office reported last June that the cap has saved the average homeowner more than \$800, comparing the previous three years of tax levy growth to the previous rate of increase.

Yet not everyone is a fan. Elected officials have [criticized the tax cap \(/story/news/2015/10/12/low-caps-high-costs-pinch-governments/73637918/\)](#) as tying their hands when needed maintenance arises, and for not taking into account increasing state mandates.

In March, a report by the New York State Association of School Business Officials (NYSASBO) found 42 school districts are proposing a tax cap override, the highest number since the tax cap was instituted in 2012, when 52 districts proposed an override. Moreover, 82 districts are facing a "negative levy" — a tax cap number that allows them to raise less money than the year before without seeking an override.

"This year dramatically demonstrates fundamental flaws in the tax cap. 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," NYSASBO Executive Director Michael J. Borges said.

The 27 school districts in Broome, Tioga, Chemung and Tompkins counties are expected to levy a total of \$519 million next year, a 1 percent increase over this year's \$513.3 million. Meanwhile, total state aid to those districts is projected to be \$631.8 million, a 6 percent increase over the \$596.3 million given out this year.

High-need districts

The state's education budget includes \$175 million in funding to implement community schools in dozens of high-need districts. In this region, that funding includes \$501,000 for Elmira City, \$478,000 for Binghamton, \$156,000 for Norwich and \$120,000 for Waverly.

New York made the community schools funding available to school districts with high poverty and low wealth. Community schools programs involve creating ties between students and their families, and local providers of community and social services.

Tonia Thompson, assistant superintendent for curriculum, instruction and accountability for the Binghamton City School District, said the funding can support and bolster existing community schools efforts in the district. Two elementary schools — Benjamin Franklin and Theodore Roosevelt — have health clinics inside, while Woodrow Wilson received a grant last year to fund a full-time social worker. Youth development workers from the Binghamton Housing Authority offer in-school support for students, and there are other academic efforts like tutoring and expanded day programs that fit under the community schools umbrella.

"The goal [of the funding] is to align programs and services so the needs of students and family are working together," Thompson said. "It's ideal to have this money come in now, so we will know how we will continue [existing] support programs."

A 2014 analysis of educational research studies by Child Trends, a Bethesda, Md.-based nonprofit, nonpartisan research organization, found community schools programs generally increase attendance, GPA, and reading and math achievement while helping reduce dropout rates.

The funding was lauded by the Alliance for Quality Education, whose executive director, Billy Easton, said community schools hold "great promise to significantly improve student outcomes in some of the neediest schools in the state."

Follow John R. Roby on Twitter @PSBJRoby.



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SPREADING THE BURDEN

Local tax levy as a percentage of general fund operating budgets* for the region's five largest school districts

| | 2015-2016 | 2016-2017 |
|----------------|-----------|-----------|
| Elmira City | 27.7 | 26.3 |
| Binghamton | 39.9 | 39.3 |
| Ithaca | 73.7 | 72.2 |
| Union-Endicott | 53.4 | 52.4 |
| Vestal | 66.8 | 65.1 |

* General fund operating budgets includes all state aid lines

Data source: New York Council of School Superintendents

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