

## INTRODUCTION

The Long Island Education Coalition (LIEC) recognizes the dire financial condition of New York State. We understand the circumstances that have resulted in the need to propose the “Gap Elimination Adjustment” (GEA), as well as similar proposals last year. We also recognize that our schools were very fortunate that federal stimulus funds became available to offset state aid cuts. We believe, now more than ever, that it is imperative for all parties involved to work collaboratively to create both short-term and long-term solutions. Our organization has been working for several months to develop an alternative strategy for addressing the crisis that we believe will be more equitable and efficient. Although implementation may call for a phase-in period, we believe it is worthy of consideration.

The LIEC supports the introduction of multifaceted legislation to reduce property taxes, enhance school efficiency, and promote fairness in the distribution of state aid. The School Property Tax Relief Act that we envision would be comprehensive in nature and result in improved school operations and reduced dependence on property taxes.

Our Coalition has developed a set of recommendations that we believe is a framework for reform. Each of the recommendations is summarized in this brochure. The sponsors of pending school finance reform legislation (A.7209/S.5716) are working with us to craft updated bill language that aligns with this proposal.

### *Fiscal Impact of the Proposed School Property Tax Relief Act*

Implementation of this proposal will reduce dependence on local property taxes to support the state’s schools. If the state becomes a “50/50” partner in education funding pursuant to this plan, statewide school property tax dependence will drop by fifteen percent (15%). In addition, school district efforts to reduce costs will further reduce pressure on property taxpayers.



## COALITION MEMBERS

COUNCIL OF ADMINISTRATORS AND SUPERVISORS  
EASTERN SUFFOLK BOCES  
LONG ISLAND ASSOCIATION  
OF SCHOOL PERSONNEL ADMINISTRATORS  
LONG ISLAND SCHOOL PUBLIC RELATIONS ASSOCIATION  
NASSAU COUNTY BOCES  
NASSAU COUNTY COUNCIL OF SCHOOL SUPERINTENDENTS  
NASSAU COUNTY ELEMENTARY SCHOOL  
PRINCIPALS ASSOCIATION  
NASSAU COUNTY SECONDARY SCHOOL  
ADMINISTRATORS ASSOCIATION  
NASSAU REGION PTA  
NASSAU-SUFFOLK SCHOOL BOARDS ASSOCIATION  
NASSAU ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NEW YORK STATE UNITED TEACHERS (NASSAU-SUFFOLK)  
REFORM EDUCATIONAL FINANCING INEQUITIES TODAY  
(R.E.F.I.T.)  
SCHOOL ADMINISTRATORS ASSOCIATION OF NEW YORK STATE  
(NASSAU-SUFFOLK)  
SCOPE EDUCATION SERVICES  
SUFFOLK ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
SUFFOLK COUNTY HIGH SCHOOL PRINCIPALS ASSOCIATION  
SUFFOLK COUNTY SCHOOL SUPERINTENDENTS ASSOCIATION  
SUFFOLK REGION PTA  
WESTERN SUFFOLK BOCES  
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## SCHOOL PROPERTY TAX

## RELIEF ACT



**Framework for  
THE FUTURE**

### ***Recommendation to Preserve Community Control and Limit School Budget Increases***

- Protect the right of New Yorkers to vote on the school budget prepared by those elected by district voters to do so; impose a cap only after voter rejection of the budget pursuant to current law.

### ***Recommendations to Reduce School District Property Taxes***

- New York State should become a full partner with local property taxpayers and provide a level of aid equivalent to 50% of the statewide cost of education.

***✓ Will reduce pressure on local property taxpayers by increasing the state's share of school expenses***

- The state aid formulas used to increase the state share should recognize:

***✓ Costs from mandates such as Special Education***

***✓ Costs outside of school district control such as health insurance and pensions***

***✓ School districts making an extraordinary local effort to fund their school districts***

- The state should intensify efforts to lobby the federal government to live up to funding commitments to aid Special Education (IDEA) and general education (NCLB) expenses.

### ***Recommendations to Help School Districts Control Expenses and Enhance Efficiency***

- Undertake a comprehensive review of all state mandates established pursuant to federal law to determine the extent to which state mandates exceed federal requirements. In those instances where state mandates exceed federal requirements, the state should fully fund the cost of services provided in accordance with those mandates.
- No new unfunded or underfunded mandates shall be introduced by legislation, regulation, or state directive.
- Fully disclose the cost and source of funding for any new funded mandates imposed by legislation, regulation, or state directive.
- Provide SED with improved capacity to support district interest in functional consolidation.
- Reestablish the SED-managed Efficiency Grant Program to provide school districts with funding to study functional consolidation and reorganization.
- New York State Power Authority (NYPA) financing should be made readily available to finance school energy conservation improvements and cost-effective onsite energy production/services.
- Fully fund a study of every county to determine the feasibility of establishing a regional school transportation system in order to maximize cost-effectiveness and conserve fuel.
- Repeal limitations in statute and regulation that restrict a school district's ability to create certain shared services through BOCES.
- Promote the coordination of school-based career academies with BOCES Career and Technical Education (CTE) programs through enhanced BOCES Aid.
- Establish a funding mechanism for charter schools that does not reduce funds available to public school districts.
- Cap school district energy cost increase exposure at the lesser of 4% or 120% of the Consumer Price Index (CPI).

### ***Recommendations to Overhaul State Support for Education in Order to Reduce Dependence on Property Taxes and Promote Fair Distribution of Aid***

- A Foundation Formula that truly works and provides all regions with an appropriate allocation of state support will provide a solid financial base from which we can move forward. Therefore, it is recommended that state funding of education be overhauled as follows:
  - Modify the Foundation Formula to utilize a regional cost index that recognizes the true costs of “doing business” across the state.
  - Modify the Foundation Formula to utilize wealth and poverty measures that are regionally sensitive.
  - Modify the Foundation Formula to utilize a sharing ratio that generates a reasonable level of expected local effort.
  - Reinstate expense-driven transportation aid to offset growing dependence on local property taxes to fund state-mandated transportation services.
  - Increase Reorganization Incentive Aid to provide 100% increase in Foundation Aid for the newly formed district. Decrease the allocation by 10% annually for each of the next five years after reorganization. After the five-year decrease, the new base is set.

### ***Recommendations to Require Greater Transparency of All Local Spending***

- Provide a state-issued plain language “Taxpayer Report Card”, which should be readily accessible online and should provide longitudinal data on revenues and expenditures for all levels of government. Enable taxpayers to compare the fiscal records of all governmental entities and understand how all tax dollars are spent.
- Require all levels of government and public authorities to post a detailed proposed budget on their website 30 days prior to adoption, approval, or public referendum.
- Require the Office of the State Comptroller to produce an annual report, which should include the cumulative cost to localities of complying with all regulatory and legislative mandates.