

**NASSAU-SUFFOLK
SCHOOL BOARDS ASSOCIATION**

**Testimony Presented by
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SECRETARY/TREASURER N-SSBA**

**NEW YORK STATE COMMISSION ON PROPERTY TAX RELIEF
PUBLIC HEARING**

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**Legislative Auditorium
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Chairman Suozzi and Members of the New York State Commission on Property Tax Relief:

I am Mary Jo O'Hagan, Secretary/Treasurer of the Nassau-Suffolk School Boards Association, appearing before you today on behalf of our President Jim Kaden. Our Association represents 112 Long Island boards of education.

We note that the primary mission assigned to the Commission by Governor Spitzer is to "devise an effective cap on local school property taxes". With due respect, we have news for the Governor. There is a cap on school budget increases and it rightfully rests with those on whom the immediate consequences of the support or rejection of a proposed school budget would fall.....the local property taxpayers. Our Association has long held that no caps be imposed limiting the right of a community to determine the expenditure necessary to maintain the educational and fiscal integrity of its school district.

Let there be no doubt, however, that school boards are painfully aware of the unfair burden our local property taxpayers are asked to bear. We take little comfort in pointing out that, contrary to common belief, Long Island's high property taxes are attributable to insufficient state funding, not excessive spending. The cost of education on Long Island, when adjusted for regional cost differences, is below the state median. The local share of school district funding, which is raised primarily through property taxes, is 65.5% higher on Long Island. This is approximately 44% higher than the 45.4% average local share in the rest of the state. The result is that Long Islanders use 20% more of their gross household income to pay property taxes than New Yorkers in general.

Expert testimony at the Commission's Albany hearing pointed out that limitations on school budget increases do not necessarily result in lower increases in property taxes, a fact driven home to Long Island taxpayers in the early 90's when mid-year state aid cutbacks and subsequent annual reductions in aid to Nassau and Suffolk schools resulted in crushing property tax increases accompanying no-growth school budgets. The greatest losses were experienced in Long Island's middle-income, and low-to-middle property wealth communities. The willingness of voters in these communities to increase their taxes during those hard times provided the safety valve that enabled their schools to survive the years of diminished state funding. To deny voters the right to protect their community's investment in its public schools would most certainly punish those middle-income communities with little more than residential property as their tax base. Were the State to remove this right, the gap between them and their wealthier counterparts would surely widen.

Given New York's over-dependence on the local property tax to fund education, the recent focus ~~in this~~ area by other levels of government is understandable. Too often, however, this focus disregards the role they play in driving up school costs that are then transferred to the property taxpayer.

It is disingenuous to call upon schools to implement economies that may have a minor impact on constraining local taxes while ignoring the real impediments to reducing

school costs. If, as stated in the Executive Order, this Commission is charged with uncovering the root causes of high property taxes, with particular examination of unfunded mandates, then it must, in its final report, address the following areas which drive expenses:

- >Remove schools from the unconscionable costs imposed by New York's archaic Wicks law;
- >Repeal of the section of the Taylor Law's Triborough Amendment which requires districts to pay automatic salary increments between the cessation of a contract and the signing of a new contract
- >A moratorium on unfunded and under-funded state mandates
- >Capping of local obligations for uncontrollable costs – retirement system contributions, health care contributions, fuel costs and special education costs
- >Halt the shift of financial responsibility for special education pre-school services from the counties onto the local school budget

Attention has recently become focused on generating savings through greater cooperation between school districts, municipalities and counties. Our Association has worked on the goal of piercing the invisible barriers that impede communications between levels of local government on cost-saving and service-enhancing initiatives. Our work on a Suffolk County Task Force culminated in the ongoing cooperative relationship with Suffolk County highlighted in the White Paper developed with Suffolk County Executive Steve Levy.

When interacting with many groups, individuals and organizations outside of the educational community, we are constantly reminded of how little is known of the extent of school district cooperative ventures and shared services. I urge the Commission to thoroughly examine the extent of savings and educational services that are provided through BOCES and to consider BOCES potential to play a significant role in further collaborative efforts.

There is little doubt that New York's local property taxes have reached a critical state. School board members are frequently advised against deciding policy in the midst of crisis. It is therefore with great concern that we view the fast track on which this Commission is heading toward an announced predetermined decision to present the Legislature with a late-session challenge to impose some sort of school property tax cap. We are all familiar with an oft-quoted observation by H. L. Mencken... "For every problem, there is one solution which is simple, neat...and wrong". A politically motivated wrong solution in this instance will have consequences way beyond the school community and may very well threaten the economic future of this State. There are no school-funding or education experts on this Commission and the issues are complex. We strongly urge that the May 15th reporting deadline be extended beyond the May 20th Universal School Budget Voting Day so as to not distract from the importance of that event and to, in turn, provide sufficient time for review and debate of the Commission's proposal.

Thank you for your attention.