



How to achieve REAL property tax relief

Currently, nothing about the proposed tax caps will do anything to counteract or mitigate the sources of school operating costs.

Public school leaders understand “property tax fatigue.” They are the only governmental leaders who each year present their budgets to their communities for approval.

The move to cap school property tax increases at 2 percent or less is not the answer. Taxpayers who feel they are paying too much will not benefit, because:

- **It does nothing** to keep local property taxes down. Locally, the average tax levy increase has been 1.7% for the last three years.
- **It does nothing** to control district spending that is MANDATED by state and federal governments. Mandated expenses drive most increases in school spending.
- **It does nothing** to change the demand for services due to enrollment or for children with special needs. Public schools cannot choose to serve fewer students.
- **It does nothing and does even more harm** to schools in poor communities, locking in existing disparities. A 1% increase in the tax levy in a poor district may not raise enough to retain a teacher. Wealthier communities can raise more under the same cap.
- **It does nothing** to make schools less dependent on state support. Schools are unable to preserve their programs and services if the state falters.
- **It does nothing** to prevent the well-documented negative impacts that property tax caps have imposed on schools in California and Massachusetts.

What we really need is relief

from expensive state and federal mandates that are not supported by state and federal dollars.

Increases in mandated costs will not be controlled by a cap in property taxes because

Mandates that are unfunded and underfunded drive the majority of large increases in school budgets, and pass the costs of these increases to local property taxpayers.

Mandates involve complex regulations and time consuming reports which increase the workload of district staff.

Local tax burdens have increased due to increased number of retirees and health insurance costs

Increases in these costs will not be controlled by a cap in property taxes.

What are the most expensive mandates?

- * Laws mandating contributions toward public employee retirement pensions
- * NYS Taylor Law imposes penalties and determines which employee issues must be bargained
- * Triborough Amendment to the Taylor Law mandates that all terms of an expired contract remain until a new agreement is reached.
Thus, district's employee compensation costs rise (for items such as employee and retiree health insurance) even when negotiations have reached impasse and there is no new contract.
- * Federal funding shortfall for expensive special education and NCLB requirements totaling \$106.8 billion in the last 7 years
- * Redundant reporting requirements.

GOVERNOR'S COMMISSION on PROPERTY TAXES AGREES

and even challenges the status quo and deserves consideration.

The report of the Commission on Property Taxes recommended a number of other steps that would specifically limit increases in school costs. They are:

- Restructure STAR to fund a new "Star Circuit Breaker" to target individual tax relief.
- Pass no new mandates or new SED regulations without a complete accounting of the fiscal impact on local governments, which must include full documentation, local government input and proposed revenue sources to fund the new mandates.
- Establish a BOCES statewide energy purchasing program to save energy costs.
- Amend the Triborough provision of the Taylor Law to exclude teacher step and lane increments from continuation until new contracts are negotiated.
- Centralize and streamline school district reporting.

REAL PROPERTY TAX RELIEF IS POSSIBLE IF NYS –

- Continues its current level of state aid to education while reducing the costs of mandates it has imposed upon schools;
- Assists districts with teacher pension and retiree health insurance costs.
For four straight years, increases in these two areas exceeded increases in state aid, forcing local taxpayers to make up the difference.
- Alleviates the financial burden caused by their own mandates, helping districts to control the size of their property tax levies.

**REAL PROPERTY TAX RELIEF IS POSSIBLE
but the proposed 2% property tax cap is misleading and
would not provide the relief the public is seeking.**

**REAL PROPERTY TAX RELIEF IS POSSIBLE
only when the NYS Legislature and Governor commit themselves
to providing relief from their own unfunded and underfunded mandates.**

Monroe County School Boards Association
220 Idlewood Road, Rochester, NY 14618
(585) 328-1972 www.mcsba.org

December 2008/Updated 2011