

Financial Support for Public Education

Funds for public education in New York State come primarily from the sources listed below.

<p>Local Real Estate Tax</p>	<p>The highest percentage of school district revenue comes from local taxes on real estate. Property taxes must make up the difference between costs—most of which are mandated by state and federal law—and all other sources of revenue. Rejection of a district’s budget by voters has little effect on final property tax rates. When a budget is rejected, the school board must adopt a contingency budget which includes all contracted wages and benefits, the major cost items.</p> <p>Real estate tax rates are not determined until the assessment rolls are closed in July or August and tax levies are set by the board of education.</p>
<p>Sales Tax</p>	<p>Monroe County allocates a portion of sales tax revenues to public education. Under the Morin-Ryan Plan, 16.39% of sales tax revenues are distributed to suburban school districts, and the Rochester City School District receives 36%. School districts now also receive a portion of a 1% increase of the sales tax from 7% to 8%. Distribution of sales tax revenues to suburban districts is based on student enrollment, and therefore varies from year to year.</p>
<p>State Aid to Education</p>	<p>New York State Aid to Education is the second largest block of financial support for the state’s public school districts. Districts continue to seek increases in State Aid because it is supported by income taxes, which are more equitable than local real estate taxes. In times of relative economic stability or growth, the state traditionally assumes a higher percentage of education costs, thereby relieving the burden on local property taxes.</p>
<p>Federal Aid to Education</p>	<p>In suburban Monroe County districts, Federal Aid averages less than 3% of annual revenue. In the Rochester City School District, the amount is considerably higher due to categorical programs directed at economically depressed areas and the families who live in them.</p>