



Freezes, Cuts, Caps & Costs: Truth and Consequences

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Presented by:

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Long Island Schools: Truth & Consequences



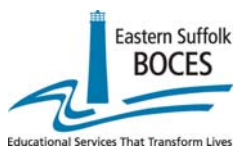
- Overview of Issues
- LIEC Surveys
- Conclusions and Questions



Long Island Schools: Truth & Consequences



- Public support for Long Island schools remains at an all-time high. Voters approved 124 of 124 school budgets.
- 9 budgets were initially defeated by voters. However, 6 of the defeats occurred even though a majority of voters said “yes”.



Long Island Schools: Truth & Consequences



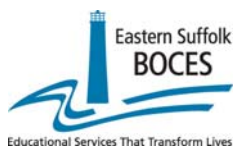
- 65% (91,505 vs.167,235) of those voting on school budgets – voted YES.
- Over 25% of low-wealth districts, but less than 10% of mid- and high-wealth districts proposed a levy in excess of the cap.
- Long Island remains over-dependent on property taxes to support our schools. In 2011-12, property taxes made up 71% of school revenues; in 2012-13, the percentage will be virtually unchanged.



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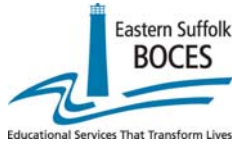
- Many school districts renegotiated existing labor contracts, or negotiated new contracts with lower rates of increase in base pay and increment.
- Schools had to intensify efforts to engage communities because certain aspects of the tax cap were not understood; and
- The consequences of a second budget defeat (frozen tax levy) are far more severe than under the old contingency budget rules. This needed to be explained.



Long Island Schools: Truth & Consequences



- School districts used fund balance to keep tax increases within the limits of the cap. In the aggregate, districts applied \$379 million in fund balance to the tax levy.
- Audited statements indicate that Long Island schools reduced fund balance by 5.5% (\$25.1 million) between June 30, 2010 and June 30, 2011.
- The Property Tax Report Card (PTRC) indicates that Long Island schools will reduce fund balance by 9.5% (\$41 million) between June 30, 2011 and June 30, 2012.



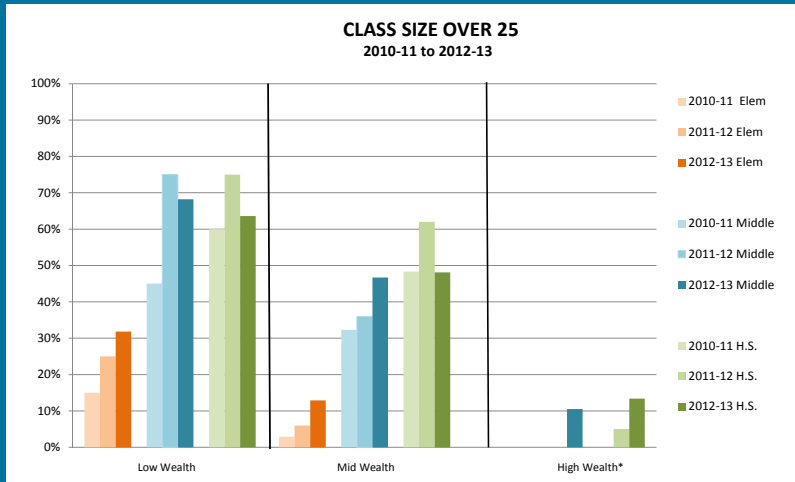
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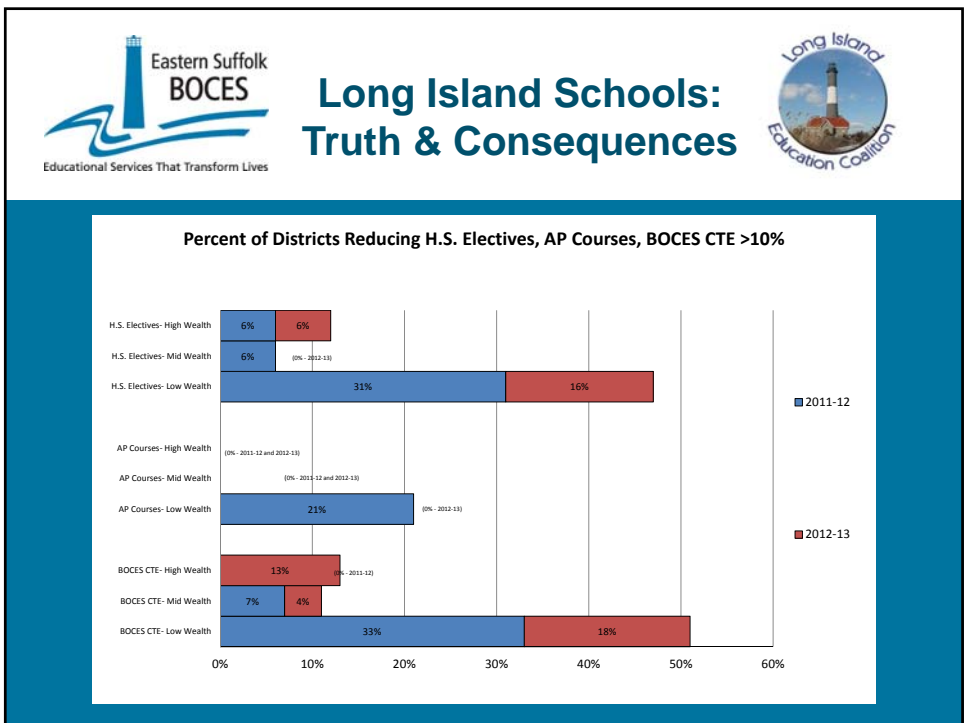
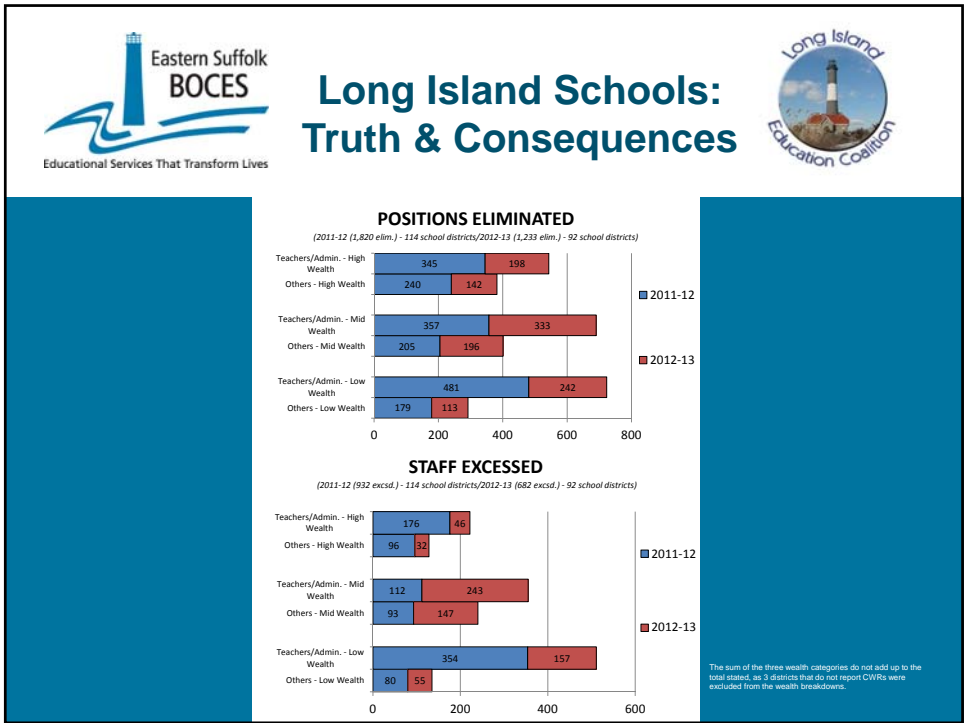
- 114 school districts responded to the Long Island Coalition (LIEC) survey in the spring of 2011. It revealed that a disproportionately large number of low-wealth districts (CWR <1.0) reduced programs and services for 2011-12 as a result of state aid reductions.
- The survey was recently repeated for 2012-13. Results (92 school districts) indicate that program and service cuts occurred in school districts within all wealth categories this year.
- The results of the spring 2011 (2011-12) survey, and the results of the spring 2012 (2012-13) survey are as follows:

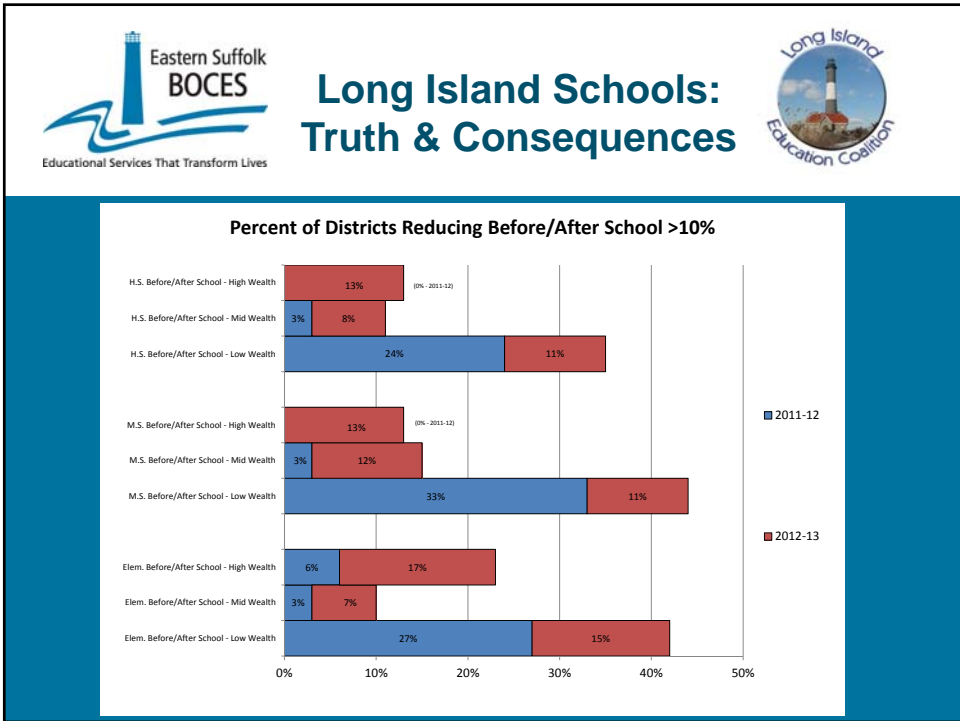
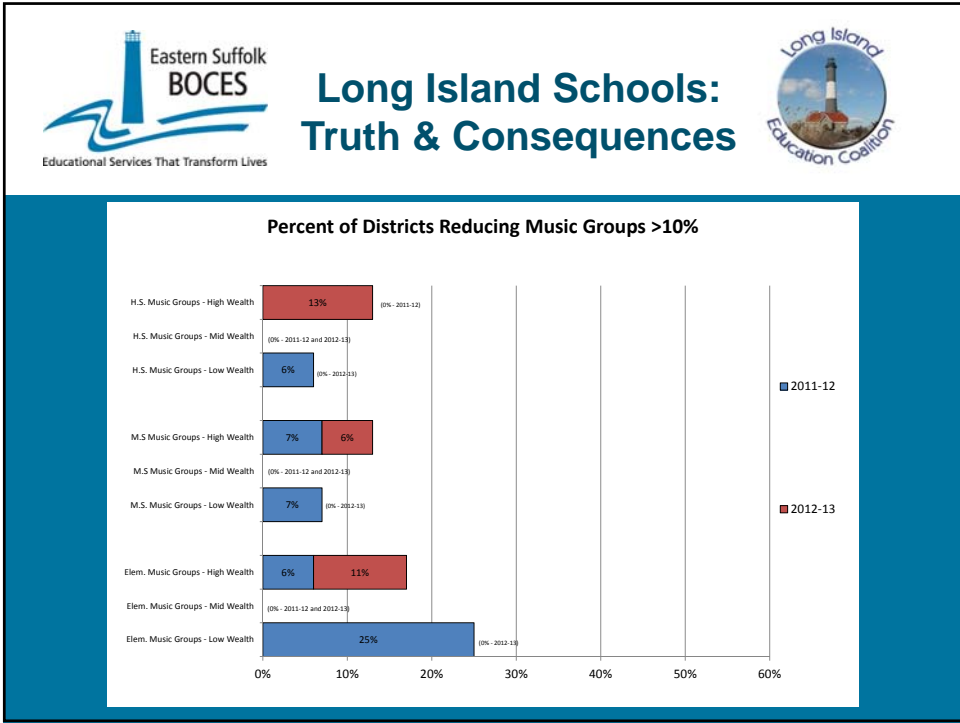


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*There were no increases in class size over 25 in the High Wealth category for the following: 2010-11 to 2012-13 Elem, 2010-11 to 2011-12 Middle, and 2010-11 High School.



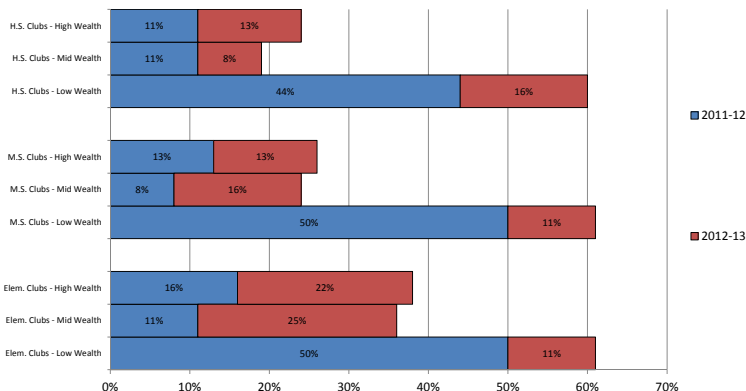




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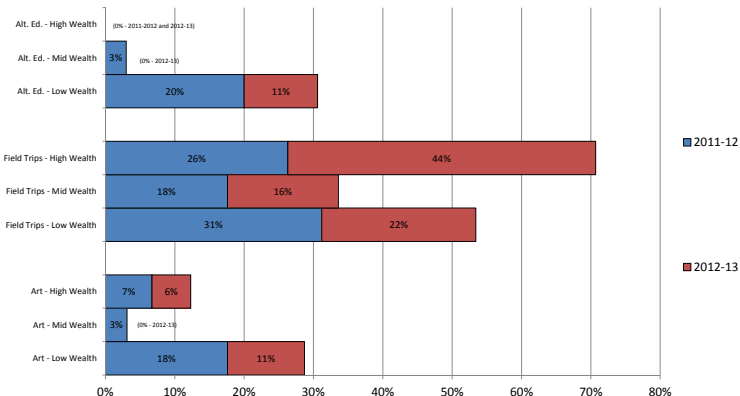
Percent of Districts Reducing Clubs >10%

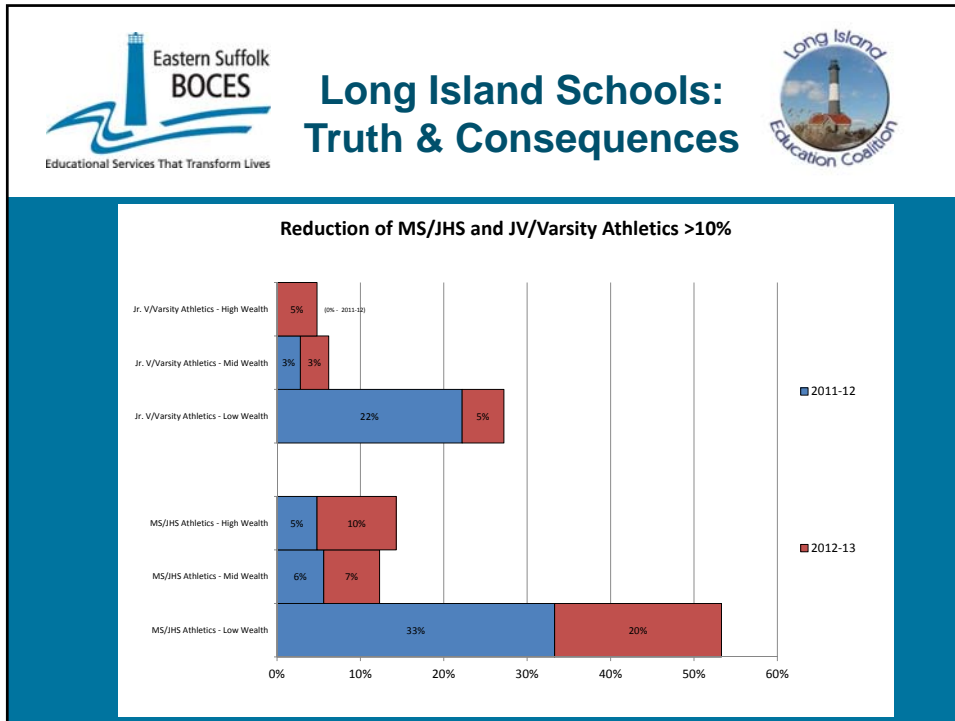


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Percent of Districts Reducing Alt. Ed., Field Trips, Art >10%





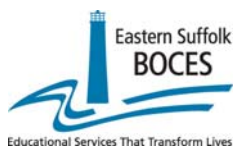
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- ## Conclusions & Questions
- The cap quickly became a “measuring stick” for the public – budgets within the cap were supported.
 - Districts seeking to exceed the cap engaged in especially intense community outreach.
 - Program and service reductions that primarily impacted low-wealth districts last year as a result of aid cuts, are now occurring in districts in all wealth categories.
 - The “zero consequence” is an all new level of challenge.



Conclusions & Questions



- Districts/Communities are being compelled to make very difficult decisions (i.e. school closings, elimination of kindergarten, transportation limits, etc.)
- Fund balance is decreasing. Is it being managed carefully?
- Will meaningful mandate relief occur?
- Can cost increases be reduced to the point that they equal state aid and levy limit increases?
- Can the 70%+ property tax share of funding be reduced?



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LIEC Member Organizations


Council of Administrators and Supervisors
Eastern Suffolk BOCES

Long Island Association of School Personnel Administrators
Long Island School Public Relations Association
Nassau Association of School Business Officials
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
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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