S.1904 Gaughran Local Government Committee

PROVISIONS OF BILL:

This legislation would make the tax cap permanent.

STATEMENT OF OPPOSITION:

This measure makes permanent the provisions of law that establish the property tax cap without addressing how public schools should be funded when property taxes are capped. The tax cap places an undemocratic supermajority requirement on votes for school budgets seeking to increase the school funding tax levy by more than two percent or the rate of inflation, whichever is less.

The tax cap has perpetuated and widened existing gross education funding inequities between wealthy and poor school districts. As a result, the tax cap has a particularly negative impact on the state's poor school children by denying them the educational opportunities provided by other, wealthier districts.

Under the tax cap, school children are arbitrarily and effectively classified and denied educational opportunities based on the relative taxable wealth of their school district. This results in poorer districts being deprived of the opportunity to raise education funding to the same degree as wealthier districts.

The tax cap violates the principle of one-person, one-vote because it grants disproportionate voting power to voters who oppose a proposal to exceed the tax cap.

Additionally, when a school board proposes a budget that would require a tax levy exceeding the tax cap, the ballot for such budget must include this biased statement: "Adoption of this budget requires a tax levy increase of which exceeds the statutory tax levy increase limit of X for this school year and, therefore, exceeds the state tax cap and must be approved by sixty percent of the qualified voters present and voting." This notice is not viewpoint neutral and is meant to discourage voters from approving a proposal to exceed the tax cap and denies all local school boards and their voters the right to close existing funding and achievement gaps, or provide enhanced educational opportunities to school children.

Since the enactment of the tax cap, many school districts have struggled to meet their obligation to provide the academic programs and services needed to successfully educate every child. Moreover, there has been no meaningful public review of its impact on schools and municipalities. This year's allowable tax cap for schools, if current inflation trends hold, is two percent.

Without reasonable adjustments to the tax cap for costs beyond a school districts control, many school districts will continue to lack sufficient resources to fund existing programs. While the property tax cap has purported to save $2.6 billion, our public school students are still owed $4 billion in Foundation Aid.

(OVER)
Let us not repeat the mistakes of Proposition 13 in California, which limited property tax increases to two percent. This flawed tax policy has led to the decades-long drastic underfunding of public education and loss of opportunity in that state, destroying a once robust public education system throughout California, which its citizens are working hard to repeal while rebuilding their public schools.

NYSUT has long advocated for reforms to the property tax cap, including: removing the undemocratic supermajority provision; making the cap a true two percent or setting it at the Consumer Price Index (CPI), whichever is higher; exempting payments and projects related to natural disasters; exempting costs for school safety and school resource officers; exempting PILOTs to mitigate the effects of IDA decisions, which school districts have no say in; exempting court judgments against school districts; exempting tuition payments for both general and special education; exempting retirement and health care costs; exempting the cost of energy and fuel; exempting the effect of failed add-on ballot propositions; and exempting BOCES capital projects, all to mitigate the negative impacts on the tax cap on education. BOCES capital projects should be fully excludable from the property tax cap just like their district counterparts. We should maintain fairness and consistency within the education law to allow BOCES to maintain and improve educational facilities, classrooms and equipment in order to provide students with tools they require for the best possible educational outcomes.

While the purpose of the tax cap is to generate savings for property owners and businesses, it has had the negative consequence of exacerbating educational inequities and defunding public education. The state must address the obligation it has to provide every child their constitutional right to a sound basic education.

NYSUT agrees that property taxes are high in our state, but studies show the best way to address this issue and to adequately fund public education is through a “circuit breaker” program. A circuit breaker program would provide targeted relief based on one’s ability to pay. NYSUT believes the state should implement a circuit breaker to replace the tax cap. This, in our view, is a more progressive way of lowering property taxes in this state.

FOR THE ABOVE MENTIONED REASONS, NEW YORK STATE UNITED TEACHERS OPPOSES THE PASSAGE OF THIS LEGISLATION.

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