

School Districts Propose Levy Increases of 2.5 Percent

The boards of education of independent school districts statewide have approved budgets to be voted on May 21st that propose spending increases of 2.6 percent and levy increases of 2.5 percent.

Introduction

On May 7, 2019 the New York State Education Department released Property Tax Report Card data for the 2019-20 school year. This information reflects budgets approved by boards of education, other than for the Big Five city school districts. These board-approved budgets for the 2019-20 school year will then be voted on by communities across the state on May 21, 2019. This brief note looks at statewide data, proposed tax cap overrides, and regional trends.

Levies and Budgets

Under the Property Tax Cap law, school district levy increases are limited to the increase in the Consumer Price Index (CPI) in the previous year or two percent, whichever is less. Because the final CPI change for 2018 was 2.44 percent, the inflation factor for 2019-20 budgets is capped at two percent. This is the second year in a row where inflation exceeded two percent, following four years of low inflation.

Figure 1. Allowable Levy Growth Since Creation of the Tax Cap

Statewide	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Allowable Levy Growth Factor	2.0%	2.0%	1.46%	1.62%	0.12%	1.26%	2.0%	2.0%

PROPERTY TAX CAP REPORT CARD ANALYSIS

Overrides

Ninety-seven percent of school districts have proposed 2019-20 budgets that stay within the tax cap. There are 17 districts whose property tax report card filings indicated they will be asking their voters to override the cap, which are listed in Figure 2. Five proposed overrides are from districts in the North Country. No other state region has more than two proposed overrides. Overriding the tax cap requires a 60 percent or greater approval rate in the school budget vote. While the vast majority of proposed budgets are below their respective tax caps, Figure 3 shows that there has been a slight increase in proposed overrides in each of the past few years.

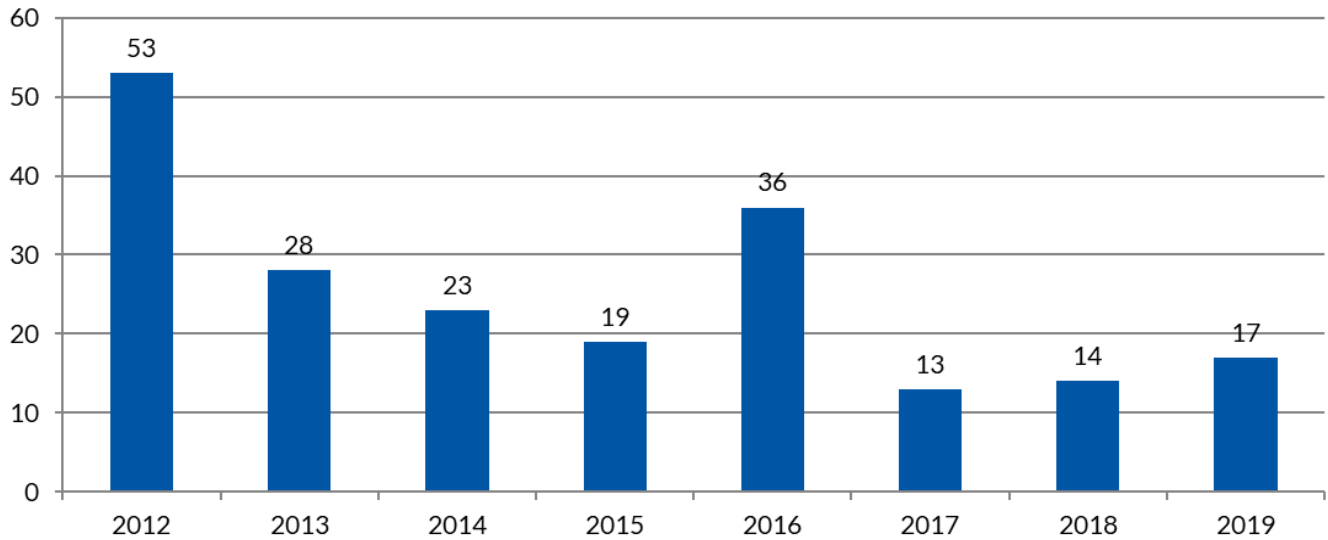
Figure 2. School Districts Proposing to Override the Tax Cap in 2018-19

School District	Region
Alexandria	North Country
Belleville-Henderson	North Country
Brighton	Finger Lakes
Clymer	Western Region
Copenhagen	North Country
Dolgeville	Mohawk Valley
Eastport-South Manor	Long Island
Johnstown City	Mohawk Valley
Keene	North Country
Lansingburgh	Capital District
Laurens	Southern Tier
Minisink Valley	Hudson Valley
Northeast	Hudson Valley
Putnam	Capital District
Ticonderoga	North Country
Worcester	Southern Tier
Wyandanch	Long Island

PROPERTY TAX CAP REPORT CARD ANALYSIS

Figure 3. The number of Tax Cap Override Attempts in the First School District Vote—2012-2018 actual and 2019 reported

Override Attempts in May Vote



Regionalization

Figure 4 shows the regional breakdown of spending and levy increases. The smallest spending increase is in the Finger Lakes, which has proposed a spending increase of 2.3 percent. The largest increases are in the Mohawk Valley and North Country, which have proposed spending increases of 3.3 percent. The Southern Tier has the lowest combined proposed levy increase at 2.1 percent. The largest is in the Central New York Region, 3.6 percent.

Figure 4. 2019-20 Spending and Levy Increases by Region

Region	Total Proposed Spending Increase	Total Proposed Tax Levy Increase
Capital District	2.5%	2.3%
Central New York	2.6%	3.6%
Finger Lakes	2.3%	3.0%
Hudson Valley	2.6%	2.3%
Long Island	2.5%	2.5%
Mohawk Valley	3.3%	2.8%
North Country	3.3%	2.2%
Southern Tier	2.4%	2.1%
Western Region	2.9%	2.2%
Statewide	2.6%	2.5%

PROPERTY TAX CAP REPORT CARD ANALYSIS

Conclusion

In analyzing proposed school budgets that local voters will consider on May 21, it is clear that New York state school districts have shown fiscal restraint in a time of economic uncertainty. More than 97 percent of districts have proposed budgets that comply with the limitations of the property tax cap. School district budgets carefully manage local resources in meeting students' educational needs. A recent ASBO analysis documents the economic footprint of spending on public education.* In the 2017-18 school year, school districts were responsible for 602,000 full-time jobs statewide (Figure 5). School districts directly employed the equivalent of 360,000 full-time positions and another 242,000 full-time jobs are indirectly linked with companies supplying goods and materials to school districts as well employee spending. Total payroll for these jobs statewide is \$45.34 billion. Public education's economic footprint generates \$2.39 billion in state income tax and \$1.1 billion in sales tax.

Figure 5. Statewide Economic Impact of Public Education Spending

	Direct	Spillover	Total
Employment (FTE)	360,000	242,000	602,000
Income	\$30.7B	\$14.6B	\$45.3B
Income Tax	\$1.7B	\$0.7B	\$2.4B
Sales Tax	\$0.7B	\$0.3B	\$1.1B

* <https://www.asbonewyork.org/page/reports>

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