

FINANCING EDUCATION POSITION K-12
Statement of Position as announced by the State Board, July 2006

The State's Obligation

New York State bears a constitutional responsibility for the education of its children.

This duty has been defined by litigation of more than a decade's duration, during which the Court of Appeals has held the State must provide all children with a sound basic education, defined as the opportunity for a meaningful high school education, consisting of the basic literacy, calculating, and verbal skills necessary to enable them to eventually function productively as civic participants capable of voting and serving on a jury. Included in the goods and services that constitute a sound basic education are minimally adequate physical facilities and classrooms which provide enough light, space, heat, and air to permit children to learn, minimally adequate instrumentalities of learning such as desks, chairs, pencils, and reasonably current textbooks, and minimally adequate teaching of reasonably up-to-date basic curricula such as reading, writing, mathematics, science, and social studies, by sufficient personnel adequately trained to teach those subject areas.

This duty extends to all the State's children, and to the extent that children with special needs (students with disabilities, with limited English proficiency, and in poverty) require a greater input of funds to obtain their constitutional due, the State must support that input.

While ultimate responsibility for adequate funding of education rests with the State, it may fulfill its obligation by requiring a local contribution to education that is reasonably correlated to a district's ability to pay.

Means of Raising Money

The State's system of financing education should be progressive, with a higher portion of the cost paid by those having greater ability to pay. The means of raising money should incorporate the principles of simplicity and transparency, stability, insofar as progressivity is not sacrificed, and exportability, either in terms of payment by out-of-state residents or by partially offsetting any increase in State taxes with a decrease in federal taxes. In general, the means of raising money should incorporate principles of horizontal equity, with similar groups of taxpayers being treated equally and similar goods and services being taxed equally, provided that such treatment neither violates other League positions nor renders a tax more regressive.

Additional funds necessary to provide the State's children with a sound basic education should be raised through increases in the State personal income tax, implemented in a progressive fashion. Stability of income tax should be increased

by creating a substantial reserve dedicated to education, sufficient to maintain uniform stream of State revenues for funding of education in times of economic downturn.

Distribution and Use of Monies for K-12 Education

The goal for distribution of additional state aid should be to narrow the expenditures gap between wealthy and poor districts.

Although additional aid does not preclude a decrease in local real estate tax, the school district is expected to maintain its local tax effort to sustain or improve its performance in meeting educational standards.

Additional state aid should be used not only for basic operating expenses, but also for funding the construction and rehabilitation of school buildings, the acquisition of technology and the fulfillment of state mandates.

Aid for operating costs should enable school districts to provide all their children with a sound basic education and to fulfill educational standards established by the State Education Department. Aid should incorporate a district's ability to pay, regional cost differences, population sparsity, and transitional adjustments to bridge large reductions in aid caused by sudden changes. Extra costs incurred for students with special **[learning]** needs (i.e., learning disabilities, limited English proficiency and **poverty**) should be factored into basic operating costs as well, in order to keep categorical grants to a minimum.

The League supports implementation of educational efficiencies in the provision of a sound basic education, provided that the proposed efficiencies do not affect adequacy of education. State aid policies should promote cost-effective measures such as consolidation of services, shared services, shared resources and other management efficiencies.

Property Tax Relief and its Impact on K-12 Education

Local financial support for the schools will continue to depend, in part, upon real estate taxation but several measures are essential to eliminate the inequities that unfairly burden taxpayers.

The League supports reform of the real property assessment system on which school district taxes are based, alleviation of the tax burden for low-income individuals through such measures as an increase in the circuit breaker tax **relief** benefit, **along with automatic annual cost of living adjustments to the maximum income provision and the maximum property value provision of the circuit breaker tax relief benefit.** The League supports an equitable redistribution of non-residential real estate taxes to the schools within a region or county.

Major efficiencies should be recognized by replacement of programs that provide residential real property tax relief irrespective of ability to pay with programs that target local residential real property tax relief to those most in need, with lower income individuals receiving the greatest relief.

Reform of the present system and administration real property assessment requires that it be:

- (a) equitable in its distribution of the tax burden,
- (b) based on uniform standards,
- (c) state assisted, monitored and enforced,
- (d) easily understandable and accessible to taxpayers; and
- (e) kept current by periodic reassessments.

Use of Public Funds for Non-Public Schools

The League is opposed in principle to the use of public funds to support non-public schools. The League would not deny public funding for existing services to students who attend private schools. However, we believe public funds should be used to support public schools.

Schools as Community Centers

The League supports efforts to utilize schools as community centers to integrate the delivery of social services so long as these services are funded separately from the education budget.

Dependent (Big Five) School Districts

The League believes that the integrity of state education funding applies as well to the Big Five school districts where education and municipal funds are co-mingled in a single budget. State aid should not be used to divert local education dollars to cover other municipal expenses.

REAL PROPERTY TAXATION
Statement of Position
As Announced by the State Board, January 1980,
Revised to reflect State Convention action, 1983
And further revised to reflect Financing Education state study 2005-2006

The League of Women Voters of New York State believes that the assessment of real property must be:

- a. equitable in its distribution of the tax burden;
- b. based on uniform standards;
- c. state assisted, monitored, and enforced;
- d. easily understandable and accessible to taxpayers.

The League has determined that the assessment system that best meets these criteria is one that is based upon an initial determination of full value and then applies to those full value assessments differential assessment ratios or tax rates according to class of property. The state legislature should define a limited number of such classes of property and establish a permissible range of assessment ratios for each class. Within that range local legislative bodies would then be able to adopt local assessment ratios, which best meet their land use, economic development and social policies.

Property tax bills should contain all relevant information including: the classification, the assessment ratio, the tax rate, the full value assessment and the classified assessment, as well as the procedure for appealing. Taxpayers should have access to all existing appeals procedures as well as an intermediate non-judicial appeal body in order to protest both their assessments and their classification at low cost.

Administration of the property tax should be improved. The state should provide financial and technical assistance to localities, establish qualifications for assessors, provide training and otherwise monitor and enforce local implementation of more uniform assessment practices. Adequate state funding should be provided to carry out these services.

Tax exemptions extended to charitable, religious and educational institutions should be re-examined to insure continuing eligibility. Annually, each taxing jurisdiction should make public a list of all exempt properties, their true value and the amount of tax revenue lost to the locality because of each exemption. Owners of tax-exempt properties should pay appropriate fees for services rendered to the exempt property by local government.

Statutes governing exemptions should be reviewed with the intention of severely limiting new classes of exemption and preventing abuse of existing exemptions. Provisions of law must be clarified and made more stringent so that properties held by nongovernmental tax exempt bodies which are used for profit or for any purpose not directly related to the tax exempt purpose of the organization do not escape taxation.

The State should replace local residential property tax relief programs that grant taxpayers relief regardless of ability to pay with programs in which tax relief is limited to those individuals with a limited ability to pay and made available on a sliding scale according to need. The “circuit breaker” type of relief, in which state funded reimbursement is given to homeowners and renters whose property taxes exceed a certain percentage of income, should be expanded **and should be automatically adjusted on an annual basis to reflect cost of living adjustments to the maximum income limit and maximum property value for eligibility.** The option of tax deferral should be made available to senior citizens with the taxes owed constituting a lien against the sale of the property or the liquidation of the owner’s estate.

The League of Women Voters would like to see voluntary adoption of tax base sharing by counties or regions of the state.