

Reaction Paper:

How Unwavering is Support for the Local Property Tax?: Voting on School
District Budgets in New York, 2003-2010 by Robert Mark Silverman

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In his article, *How Unwavering is support for the Local Property Tax? Voting on School District Budgets in New York, 2003 – 2010*, author Robert Silverman examined school budget vote results in NY from 2003 – 2010 with the intention of identifying factors that could have led to the 91.9% passed budgets even during times of fiscal stress, and to determine if the factors identified could lead to recommendations to help Boards of Education develop, present, and pass budgets in the increasingly fiscally unstable and unpredictable future.

Silverman's research was conducted utilizing data obtained from NYSED (New York State Education Department) and the ACS (American Community Survey) on the results of school district budget votes and school district report cards for the 2003-04 school year through the 2009-10 school year. As property taxes represent an increasing percentage of school funding, especially as state and federal monetary contributions are declining even as the mandates they place on districts are increasing, Silverman's research also included an analysis of school district property tax report cards, annual budget results, school district administrative salary disclosures, and population and housing estimates.

By examining multiple aspects of the communities represented in the NYSED and ACS data, Silverman is able to examine a variety of factors that, he believes, influences school budget vote results. These factors include:

- *Who is voting?* As school budget votes are separate from other ballots, voter turnout is reduced, creating a false "majority" consisting of voters who are stake-holders who would benefit from a passed budget.
- *Why isn't everyone voting?* Laws governing contingency budgets can create a "why bother?" attitude among the community of potential voters. Contingency budgets can

actually equal or even exceed the tax increase of an initially proposed budget due to items that excluded by law from regulation in the contingency budget.

- *Does size matter?* Seemingly conflicting data indicated that school districts with larger populations are generally more likely to vote for local property tax increases. However, there is also data to indicate that districts with larger minority populations votes experience increased voting against the proposed budget. This implies that it's not the size of the population, but the makeup that can determine a budget's potential success. The research implied that the reason for this increase by minorities in the larger districts is due to distrust in the educational leadership. Research shows that minority populations are more likely to value education but will vote for school budgets only if/when they feel secure in knowing who is spending the money and what it's being spent on.
- *Where is the money?* If, as data is showing, enrollment is stagnating in average across New York State, why would school budgets continue to increase? Silverman proposes that increases represent employee expenses (collective bargaining, fringe benefits, etc.), items that tend to alienate voters. However, he only marginally addressed unfunded mandates, and issues such as necessary upgrades to ever-changing technology, and building repairs unable to be addressed during tight growth years.

This article considers the above factors that have led to a surprising percentage of passed budgets, and asks why do some budgets still fail?

It should come as no surprise that Silverman's examination of the NYSED and ACS data led to, aside from the expected plethora of statistical trends and information, a clear distinction in

the community's perceptions between school spending and property taxes. Although the two are legally and functionally linked, Silverman's conclusions indicated that communities will still vote for a budget, even if it raises their property taxes, if they are on-board with the rationale behind the increase. That is to say that, even in financially challenged districts, communities will not vote down a school budget purely on the basis that they can't afford the tax increase, even if they can't.

The conclusions arrived at by Silverman, are that New York school districts are going to continue to be fiscally challenged due to decreased state and federal monetary contributions, increased unfunded state and federal mandates, and the unstable economic experiences of their communities. However, the data certainly led to clear recommendations for districts and boards of education to consider when developing their budgets: involve the community to the maximum extent possible. This involvement could be in the form of committees to help prioritize needs and involving PTAs in the process as both contributors and as intercessors between the BOE and the communities.

Reference

Silverman, Robert M. (2011, Winter). How Unwavering is Support for the Local Property Tax?:
Voting on School District Budgets in New York, 2003-2010. *Journal of Education
Finance*, pp 294-311.