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LONG ISLAND INDEX FALL 2007 SURVEY

LONG ISLANDERS AIM HIGH TO REDUCE TAXES AND SUPPORT MANY COST CUTTING MEASURES

Garden City, N.Y. (September 19, 2007) - Taxes -- Long Island's biggest headache. For the past three years, the *Long Island Index* annual survey has seen a steady up tick in the number of residents who feel that high property taxes are a serious problem. Rising from 77% who said that taxes were an extremely or very serious problem in 2004 to 84% in 2006, Long Islanders have made it clear that they are looking for some relief.

In the most recent *Long Island Index* survey conducted by Stony Brook's Center for Survey Research, 810 Long Islanders were asked what they thought was a reasonable amount to pay in property taxes. Recognizing that some taxes must be paid, 89% of those polled requested, on average, a \$3,000 reduction in their annual tax bill. Achieving an average reduction of \$3,000 per household sets a very high bar and equates to a cut in spending of approximately 19% across the region. Aiming high forces people to "think out of the box" but then they must wrestle with how much change they are willing to accept. The survey covered a number of possible options.

Long Islanders want big reductions in their taxes and are willing to consider significant changes to achieve this including consolidation of back-office functions in the schools, consolidating non-emergency services, increasing contributions to benefits packages, placing caps on how much schools can raise from local property taxes. "This is a powerful beginning toward solving a problem that has plagued the region for years," said Ann Golob, Director of the *Long Island Index*. But, she continued, "Long Islanders will need to embrace more changes if they want *dramatic* tax reductions."

Schools – the biggest component of property taxes

The single biggest item on all Long Island property tax bills is school taxes; for Nassau and Suffolk Counties, the school tax averages 65% of the total annual bill. Yet most Long Islanders are resistant to dramatic overhaul of the Island's 125 school districts. However, a majority of Long Islanders have indicated a willingness to consider changes in the following areas:

Back-office consolidation supported

Although Long Islanders do not readily support district-wide consolidation, there is strong support for achieving savings through the coordination or consolidation of back-office functions. Just under two-thirds (64%) of Long Islanders supported "schools sharing 'back-office functions' such as payroll, finance, purchasing agreements, and insurance with one or more neighboring school districts."

Limiting school tax increase gains support

Taxpayers are also concerned about the continual rise in school taxes, and 55% of those polled support placing "a cap on how much school districts can raise from local property taxes each year."

Reconsidering teacher salaries and benefit contributions gets mixed support



The single largest item in any school district budget is salaries and benefits packages. Long Island's teacher salaries are some of the highest in the region, averaging \$70,000 plus benefits, with many long-term teachers earning over \$100,000.

When asked about "cutting current teachers' salaries, pension plan and other benefits in order to reduce school property taxes," 65% of Long Islanders were somewhat or strongly opposed. Even among respondents aged 65 and older, who are often the strongest supporters of proposals to curb school spending in order to lower taxes. 59% opposed the proposal.

When asked whether they would consider cutting salaries, pension plans or other benefits for *new* teachers, there was a similar response: 61% were opposed.

However, there was considerable enthusiasm for increasing the amount that teachers and local Government employees contribute toward their health care so that it is more in line with the benefits provided to private sector employees. Sixty-eight percent supported this proposal.

Special Districts

A second large set of expenses to be explored for potential cost efficiencies are special districts providing such services as fire protection, library, water, police, and parks.

Consolidation of non-emergency services favored

While Long Islanders approach change in the schools cautiously, roughly two-thirds (65%) favored "the consolidation of non-emergency services into single county-wide districts" as a way to achieve cost savings.

Local elections: strong support to combine with school voting in May

Given the low voter turnout for district officers and budgets, there was strong support- 80%- for making it easier for people to vote by moving district elections and budget votes to the same May date as school elections.

Long Islanders looking for leadership

When asked "who should be responsible for cutting local property taxes," there was no clear consensus. Residents nominated the state, the county and local governments. While 36% look to the two county executives and 27% are counting on state level officials, surprisingly only 7% look to their local school boards for change in property tax relief, even though the school budget makes up for 65% of the property tax burden.

To download the entire survey, please visit www.longislandindex.org.

The results for Nassau and Suffolk Counties were tabulated both separately and jointly. Margin of error for the Long Island sample is +/- 3.4%.

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About the Rauch Foundation: The *Long Island Index* is funded by the Rauch Foundation, a family foundation headquartered in Garden City, New York. In addition to funding the *Long island Index* for the last four years the Rauch Foundation commissioned "The Long Island Profile Report" and a series of five polls on Long Island to determine how the region is faring compared to other suburbs in the NY Metro area.