

# New York Democrats, Republicans push tax cap amid school cuts

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New York State's Democratic Governor Andrew Cuomo and the leaders of the Republican-controlled Senate and Democratic-controlled Assembly have announced an agreement on legislation that would impose a 2 percent annual cap on property tax increases. These taxes are a major source of funds for most of the state's local school districts. Property taxes in New York are among the highest in the nation, placing a substantial burden on working class homeowners. The legislation will have to be voted on by both houses of the legislature before adoption. Some details remain to be worked out. The Senate has already passed its own version.

Cuomo and his aides have been traveling the state in recent weeks in a so-called "People First" campaign to promote the tax cap and other aspects of his legislative agenda. The governor has repeatedly boasted that the recently enacted state budget included no tax increases. In fact, the budget represents a gigantic redistribution of wealth from the working class to the economic elite by simultaneously slashing funds for education, health care, and other social programs on the one hand and providing various forms of economic support to business and the rich, notably including the scrapping of the "millionaire's tax," on the other. The budget cuts place substantial additional financial burdens on local governments and on the working class. This renders the claim of no tax increases highly disingenuous.

The tax cap, which is being strongly promoted by both Democrat Cuomo and the state's Republicans, is one component of a multi-pronged attack on public education. The recently adopted state budget includes a \$1.3 billion reduction in state aid to local school districts. At the same time, money from the federal stimulus package, which to some degree had helped cushion the effects of the financial crisis on public schools, is now all-but exhausted, and there is no prospect of its renewal. Indeed, future federal money will only come from President Obama's "Race to the Top" program, that pits states and, ultimately, local school districts in savage competition to see which can do more to cut programs and lay off staff.

This year's reductions in federal and state funding come on top of cuts in state funding already made in the last two years. The cumulative effect is that school districts are being forced to make drastic reductions in educational programs, including art,

music, sports, special education, and extracurricular activities. These cuts will substantially impair the quality of education and the prospects of many to enter college.

The New York State United Teachers (NYSUT), the largest state teachers union, estimates that 16,000 to 18,000 teachers and staff will be laid off this coming school year, resulting in dramatic increases in class sizes and elimination of courses. This comes on top of 15,000 lost over the last two years. Imposition of a property tax cap will further limit school districts' ability to compensate for federal and state aid reductions. In a recent editorial, the *New York Times* pointed out that tax caps in California and Massachusetts had disastrous consequences for those states' educational systems.

The statewide average reduction in education aid per district is 4.8 percent, with the great majority suffering cuts of greater than 4 percent. Analysis by the Statewide School Finance Consortium (SSFC) indicates that the cuts, as a percentage of the district's budget, will disproportionately affect the poorer districts. The SSFC also finds that the state aid cuts will force relatively higher local tax increases on the poorer districts, up to 12 percent. Cuts in aid per pupil average \$937 statewide, with many districts losing more than \$2,000 per student. Regardless of these differences, all districts are being significantly affected. Reserve funds, which Governor Cuomo has touted as providing a cushion against the cuts, are being drained to nothing, meaning that even more drastic cuts will be required in coming years.

According to state School Boards Association President Timothy Kramer, districts are running out of flexibility, and another year of cuts like the ones in 2011-12 budgets will begin to hurt the quality of basic education in schools across the state.

School district budgets for the coming year were presented for a public vote earlier this month in all but the state's five largest districts. These budgets reflected the drastic, combined effects of the recession and state and federal funding reductions. Approximately 94 percent of the budgets were passed, despite property tax increases averaging 3.4 percent statewide and substantial program reductions. This is on top of an average tax increase of 3.2 percent last year.

The vote on school budgets is a sham, giving a veneer of "democracy" to a process in which the working class has no

effective voice. Property taxes, which provide a substantial portion of these districts' funds, are highly regressive, placing a significant burden on working class families who are being squeezed by the economic crisis, loss of jobs, the threat of mortgage foreclosure, the rising cost of fuel and other financial pressures. The effects are most especially severe in poorer districts, where, with a smaller tax base, the burden for maintaining the quality of education, as well as other public services, is placed on those least able to pay.

Voters were presented with no option to reject the cuts in staff and programs and demand a restoration of government funding. In those districts where the proposed budgets were voted down, the administration can do one of three things—resubmit the same budget for a second vote, present a modified budget with even further cuts, or unilaterally impose a “contingency budget,” also with further cuts.

Workers faced a “Sophie’s Choice” between impossible increases in property taxes on their homes, on the one hand, and even more drastic attacks on the quality of their children’s education on the other. The Democrats and Republicans are using this dilemma to engineer an assault on public schools and teachers, while promoting the agenda of charter schools for the select few. In particular, the campaign for a property tax cap represents a cynical exploitation of working people’s legitimate distress regarding the unsustainable property tax burden on homeowners combined with the “no new taxes” mantra that justifies billions in tax breaks for the rich at both the federal and state levels. Obama’s agreement to continue the Bush tax reductions is mirrored in New York state by Cuomo’s insistence on allowing the so-called millionaire’s tax to expire at the end of the year. This surcharge on the income tax of the state’s wealthiest two percent was enacted at the height of the financial crisis and brought in approximately \$4 billion annually, more than enough to eliminate the need for the cuts in education.

The 94 percent passage of school district budgets reflects two fundamental realities. First, the working class highly values public education even under extremely difficult economic circumstances. Second, the process of voting on local school budgets has nothing to do with democratic decision making by the majority of the population. Workers voted with a gun to their heads—accept these drastic cuts or you’ll be hit with something even more detrimental to your children’s education.

A further diversion involves the issue of so-called unfunded mandates. School administrators, represented by the New York State School Boards Association (NYSSBA), are complaining that they are being forced to carry out state-required mandates that drive up their expenses. They say that if the tax cap is implemented they need “mandate relief.” Otherwise, they will be forced to implement more layoffs and program cuts. Mandate relief, however, is a euphemism for granting the districts a free hand to cut programs and services at will. Among other things, NYSSBA wants school districts to be able

to freeze salaries when contracts expire; create a new pension tier with lower benefits; eliminate the state laws on special education (i.e., reduce services to students with special needs); and create a new process that’s cheaper and quicker to discipline tenured teachers who are found guilty of misconduct.

The decimation of public education will result either way. The official debate over the property tax cap and mandate relief is a smokescreen intended to obscure the fundamental reality that public education is being dismantled. The slashing of federal and state support means that teacher layoffs and program cuts will occur in any case. The proponents of these varying schemes all take this as a given.

New York State United Teachers (NYSUT) President Richard C. Iannuzzi reacted to the high percentage of budget approval by stating, “We’re thankful that so many local communities accepted, albeit grudgingly, the extra burden placed on them by the Legislature’s failure to adequately fund education. Going forward, we will work with those communities to ensure that Albany meets its obligation to guarantee every child a quality education.”

The loss of tens of thousands of teaching and other staff positions, not to speak of the attack on public education more broadly, is met with barely a whimper. The union accepts that cuts are necessary. They just want a seat at the table to determine the specifics. According to Iannuzzi, “Until a [tax cap] bill is passed, we will certainly be striving to get changes that make it more palatable.” Concession contracts are being negotiated in districts across the state.

NYSUT has long maintained the closest relationship with state Democrats, providing valuable political, financial, and logistical support. Despite the increasingly savage attacks on teachers, Iannuzzi has stated that the union will not actively campaign against those politicians who vote for the tax cap.

The working class must reject the entire framework of increased taxes or further cuts in education. Contrary to the Democrats’ and Republicans’ claims that “there is no money,” there is, in fact, as the WSWs has repeatedly pointed out, plenty of money in the hands of the corporate and financial elite. Workers must demand massive financial support for public education based on a dramatic increase in taxation of the rich coupled with tax relief for the working class. Such a program will never be enacted by the two capitalist parties. It requires the construction of an independent, socialist party of the working class.



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