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LONG ISLAND INDEX
SURVEY RESULTS

Fall 2007



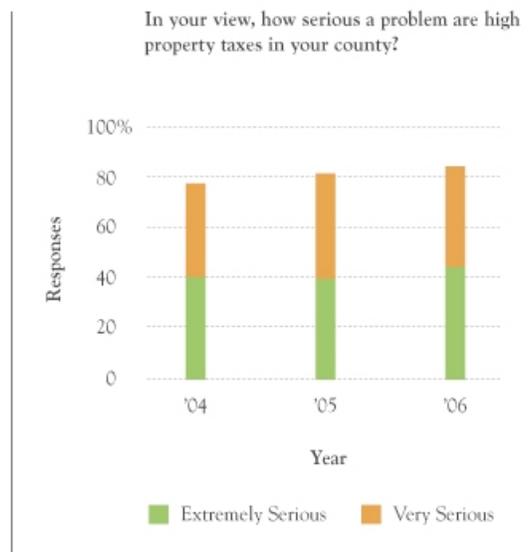


SURVEY RESULTS FALL 2007

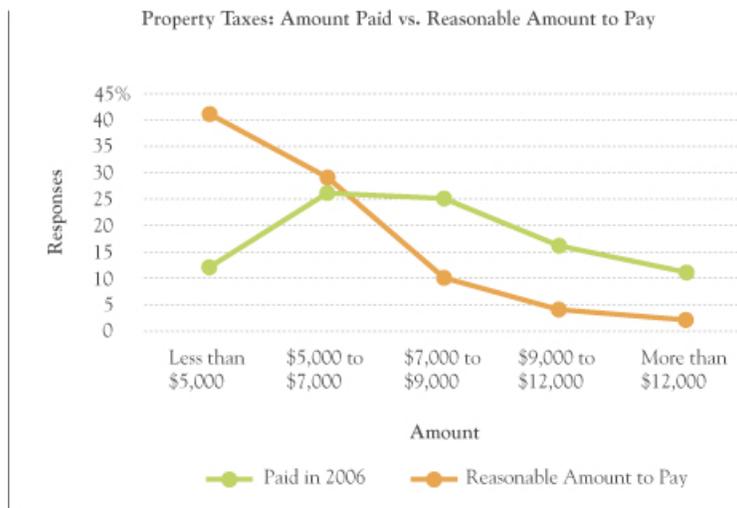
Long Islanders Aim High to Reduce Taxes and Support Many Cost Cutting Ideas

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 our most recent survey conducted by Stony Brook’s Center for Survey Research, Long Island home owners were asked what they thought was a reasonable amount to pay annually in property taxes “given that everyone has to pay something.” Only 11% were satisfied with the level of their current payment. The remaining 89% wanted a reduction of \$3,000 in their annual tax bill, on average.



See Frequency Questionnaire for complete breakdown of responses.

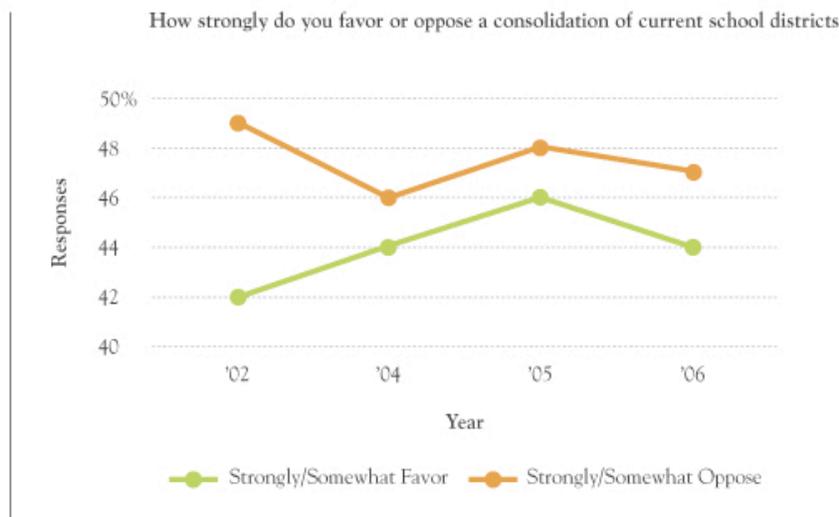
Can we get there?

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. Is this realistic? It certainly is unprecedented but the business world often sets audacious goals and then measures how close they can come to realizing it. When the goals are too low, proposals are often too modest. Aiming high forces people to “think out of the box” and wrestle with how much change they are willing to accept. What are Long Islanders willing to consider?

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. It seems logical for a discussion of property tax reduction to start there.

Over the years, the *Long Island Index* has asked residents whether they would favor consolidation of the region’s 125 school districts into larger ones if it created a substantial expense reduction and hence, a lowering of taxes. The response has been fairly consistent that Long Islanders show tepid interest and those who oppose the idea slightly outweigh those who are in favor.



See Frequency Questionnaire for complete breakdown of responses.

Back-office consolidation supported

Although Long Islanders do not readily support district-wide consolidation, there is strong support to achieve 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.” This approach met with slightly stronger support in Nassau County (67%) than Suffolk County (61%) and was slightly less popular among adults aged 18-34 (52%) than adults aged 65 and over (64%). But support was comparable among parents who did and did not have children in the public schools, and across other demographic factors.

Limiting school tax increase gains support

Taxpayers are also concerned about the continual rise in school taxes, and 55% said they would support placing “a cap on how much school districts can raise from local property taxes each year.” Not surprisingly, the degree of support is much higher among older residents (67% for people over 50 years of age) and those with no children in the household (60%) than from parents with children in the public schools (48%).

Teacher’s salaries and benefits

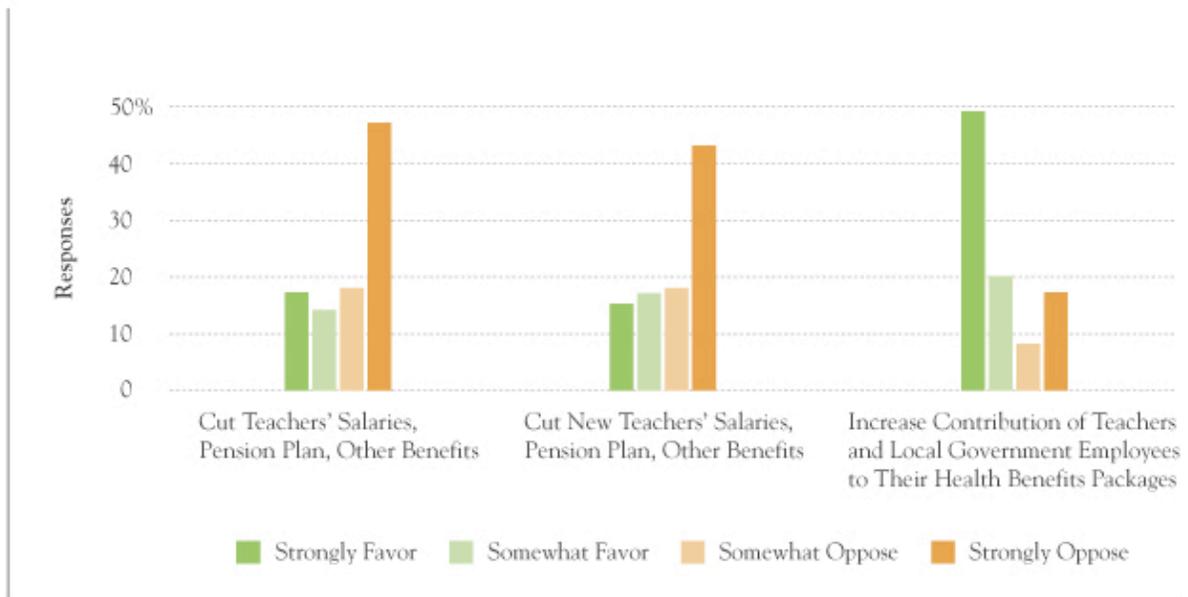
The single largest item in any school district budget is salaries and benefits packages. Long Island’s salaries are some of the highest in the region, averaging \$70,000 plus benefits, with many long-term teachers earning over \$100,000. With so many districts, neighboring school boards compete to retain top-notch teachers, resulting in higher compensation packages.

Reconsidering teacher salaries and benefit contributions gets mixed support

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; 49% did so strongly. Support cut across gender, age group, education level, income, and other background factors.



See Frequency Questionnaire for complete breakdown of responses.

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 more cautiously, roughly two-thirds (65%) favored “the consolidation of non-emergency services into single county-wide districts” as a way to achieve cost savings; 29% favored this strongly and 37%

avored it somewhat. This support was observed among men and women, and among Long Islanders of different ages, education, income, and homeownership status.

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

When asked whether they had voted in any local non-school elections that take place at some time other than in May or November, just over 20% responded that they had. Even this low number is likely to be an overestimate, however, given that citizens frequently over-report voter turnout.

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 we asked Long Islanders “who should be responsible for cutting local property taxes,” there was no clear consensus. Residents nominated the state, the county and local governments, with over a third (36%) looking towards the two County Executives and the County Legislatures, and over a quarter (27%) counting on State level officials.

Surprisingly, even though the school budgets make up 65% of property tax bills, only 7% of Long Islanders see their local school boards as responsible for cutting local property taxes.

A strong beginning

Long Islanders want big reductions in their taxes and are willing to consider significant changes to achieve it, including consolidating the delivery 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 on a problem that has plagued the region for years. But Long Islanders will need to embrace more changes if they want dramatic tax reductions. Faced with this dilemma, what will Long Islanders choose to do? Bite the bullet on school budgets? Decide they'd rather suffer with high taxes? Or keep trying to have it both ways while searching for savings elsewhere?

METHODOLOGY

The Stony Brook University Center for Survey Research conducted this survey by telephone between June 5 and July 8, 2007. A list-assisted method of random-digit-dialing (RDD) was used to obtain phone numbers in the sample. Within selected households, individuals 18 years and over were selected at random for participation. Up to 5 contact attempts at various times of the day and week were made at each household phone number. In order to assure a representative sample, all households and individuals who initially were not willing to participate in the survey were contacted again, and an attempt was made to persuade them to participate.

A total of 810 interviews were conducted in the general population of Long Island, with 405 completed interviews with residents of Nassau County and 405 completed interviews with residents of Suffolk County.

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

The results were weighted on gender, age, educational attainment, Hispanic/Latino origin and race/ethnicity, based on the 2005 U.S. Census American Community Survey county level data. Weighting was done using an iterative process that has been developed to estimate joint weights for any number of demographic variables for which population percentages are known only individually, not jointly

INTRODUCTION

Hello, my name is (interviewer's name) and I am calling from Stony Brook University. We are conducting a survey of Long Island residents regarding their opinions on several local issues. To make sure we represent all Long Islanders, I would like to speak to the person in your household who is 18 years of age or older and who had the most recent birthday.

AFTER THE SELECTION OF THE ELIGIBLE RESPONDENT:

This survey only takes a few minutes to complete. We will skip over any questions you don't want to answer, and all answers will be kept confidential. You do not have to participate in this study if you do not want to. For your information, the study is funded by the Rauch Foundation. Your phone number was randomly dialed by a computer. With your permission, let's begin.

Question Q01

Do you own the home you are currently living in, are you renting, or do you have some other arrangement, such as living in a parent's home, a child's home, or somewhere else?

RESPONDENTS	810
	%
Own	70
Rent	17
Living with relative	14
Don't know/Refused	0

[Questions Q02 and Q03 are asked only if respondent owns the home.]

Question Q02_R

How much did you pay in property taxes last year, in 2006?

Less than \$5,000	12
\$5,000 to less than \$7,000	26
\$7,000 to less than \$9,000	25
\$9,000 to less than \$12,000	16
\$12,000 to less than \$15,000	6
\$15,000 or more	5
Don't Know	5
Refused	5

Question Q03_R2

State and county officials are looking at ways to reduce property taxes. Given that everyone has to pay something in property taxes, how much do you think is a REASONABLE amount for you to pay each year?

[Open-ended question, with recoded responses]

Less than \$5,000	41
\$5,000 to less than \$7,000	29

\$7,000 to less than \$9,000	10
\$9,000 to less than \$12,000	4
\$12,000 to less than \$15,000	0
\$15,000 or more	2
Don't Know	11
Refused	4

Question Q04

At present, in many areas of Long Island, non-emergency services such as water, garbage, libraries and road maintenance, are run by a number of local districts. In order to cut costs, to what extent would you support or oppose the consolidation of non-emergency services into single county-wide districts?

Strongly support	29
Somewhat support	37
Somewhat oppose	15
Strongly oppose	12
Don't know	6
Refused	1

Question Q05

Different ideas have been put forward as ways to REDUCE local SCHOOL property taxes. To what extent do you support or oppose schools sharing "back office" functions such as payroll, finance, purchasing agreements, and insurance, with one or more neighboring school districts? Do you:

Strongly support	40
Somewhat support	23
Somewhat oppose	12
Strongly oppose	17
Don't know	7
Refused	1

Question Q06

Do you favor placing a cap on how much school districts can raise from local property taxes each year, in order to limit increases in property taxes? OR Do you oppose this because it might make it more difficult for schools to meet their changing needs?

Favor placing a limit	56
Oppose placing a limit	34
Don't know	8
Refused	2

Question Q07

School Board members often have children ATTENDING SCHOOLS in their district. Do you think that School Board members WHO ARE PARENTS can vote in an unbiased way on teachers' salaries? OR Are they more likely than non-parents [on the school board] to be biased in favor of large increases in teacher's salaries?

Vote in an unbiased way on teacher's salaries	34
More likely to be biased in favor of large increases	55
Don't know	9
Refused	2

Question Q08

We have a number of different local elections in our area. As you may know, elections for federal, state and local government officials are held in November. Elections for school board members and school budgets are held in May. Elections for other districts, such as the police, fire, library, and sewer, are held throughout the year. Please think back over the last 12 months and tell me whether or not you were able to vote in one of these OTHER elections that was held OTHER than in May or November.

Yes, I Voted	21
No, I did not Vote	75
Don't know	3
Refused	0

Question Q08A [*Asked only of respondents reported voting.*]

Do you happen to remember the type of district in which you voted (e.g., police, fire, water, library, or sanitation)?

Police	6
Fire	18
Water	1
Library	23
Sanitation/garbage	1
Sewer	0
Other (including any two or more districts)	27
Don't know	25
Refused	0

Question Q09

Not many people vote in these district elections. How strongly do you favor or oppose changing the time of these district elections and budget votes, so that they occur at the same time as school board elections and budget votes in May?

Strongly favor	61
Somewhat favor	19
Somewhat oppose	6
Strongly oppose	6
Don't know	5
Refused	3

Question Q10

One of the biggest expenses in local school budgets is the cost of teacher and staff salaries, pensions, health care and other benefits. How strongly do you favor or oppose cutting CURRENT teachers' salaries, pension plan, and other benefits in order to reduce school property taxes?

Strongly favor	17
Somewhat favor	14
Somewhat oppose	18
Strongly oppose	47
Don't know	3
Refused	1

Question Q11

How strongly do you favor or oppose cutting NEW teachers' salaries, pension plan, and other benefits in order to reduce school property taxes?

Strongly favor	15
Somewhat favor	17
Somewhat oppose	18
Strongly oppose	43
Don't know	6
Refused	1

Question Q12

Currently teachers and other local government employees contribute either very little or nothing toward their health insurance benefits. To what extent do you support or oppose increasing the contribution of teachers and local government employees so that it is more in line with the contributions of workers in the private sector?

[IF NECESSARY: by local government employees I mean town and county employees]

Strongly support	49
Somewhat support	20
Somewhat oppose	8
Strongly oppose	17
Don't know	6
Refused	1

Question Q13

In your view, who should be MOST responsible for cutting local property taxes?

The Governor of New York and The New York State Assembly and Senate	27
Nassau and Suffolk County Executives and Legislatures	36
Long Island Town Supervisors and Town Boards	15
Local School Boards	7
Someone else	7
Don't know	7
Refused	1

Question Q14

In what year were you born?

[Open-ended question, with recoded responses]

18 to 34 years	25
35 to 49 years	33
50 to 65 years	25
65 years or older	17

Question Q15

How many children under the age of 18 are currently living in your household?

None	59
1 or more	40
Refused	1

Question Q15_A [*Asked only of respondents with children under 18 in the household.*]
 Do any of these children attend the local public schools?

Yes	73
No	26
Refused	1

Question Q16

What is the highest grade of school, year of college or highest degree that you have received?

Not a High School Graduate	10
High School Graduate	29
Some College, Associate's Degree	17
Bachelor's Degree or Higher	44
Don't know	0
Refused	0

Question Q17

Are you currently:

Employed for wages full-time	45
Employed for wages part-time	9
Self-employed	9
Out of work for more than 1 year	1
Out of work for less than 1 year	2
Homemaker	9
Full-time student	4
Retired	17
Unable to work / permanently disabled	2
Don't know	0
Refused	2

Question Q18

Which of the following income categories best describes the total 2006 household income of all members of your family living there before taxes? Stop me when I reach your income group. Was it...

Less than \$35,000	14
\$35,000 to less than \$60,000	14
\$60,000 to less than \$100,000	28
\$100,000 or more	24
Don't know / Refused	20

Question Q19

Are you Hispanic or Latino/Latina?

Yes	12
No	87
Don't know	0
Refused	1

Question Q20

Do you consider yourself White, Black, Asian or something else?

White	78
Black/African-American	9
Hispanic/Latino	5
Asian	5
Pacific Islander	0
Native American or Alaskan native	0
Black and another category	0
Don't know	1
Refused	2

Question Q21

Are you married; not married but living with a partner; separated; divorced; widowed; or have you never been married?

Married	57
Not married, living with a partner	6
Separated	2
Divorced	5
Widowed	10
Never married	19
Don't know	0
Refused	1

Question GENDER

[INTERVIEWER: WHAT IS THE RESPONDENT'S GENDER]

Female	51
Male	49