



09

LONG ISLAND INDEX

Working Together in New Ways for Long Island's Future

The *Index* is a status report on the Long Island region that aims to engage the larger Long Island community in thinking about the region's future and to be a catalyst for corrective action.

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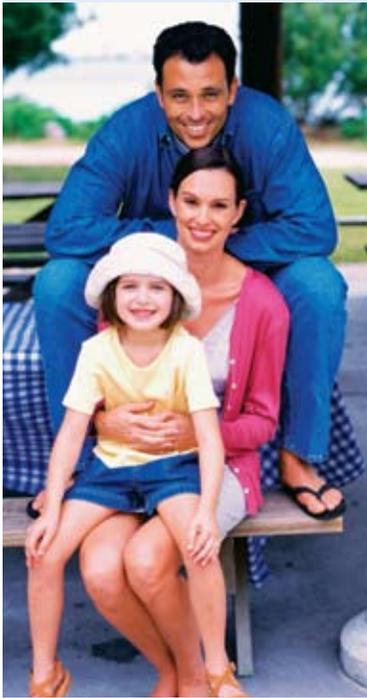
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Note to readers:

You will find our full Appendix including sources and methodology on our website, www.longislandindex.org.



about the index

GOOD INFORMATION PRESENTED IN A NEUTRAL MANNER CAN MOVE POLICY

ABOUT THE INDEX

The *Long Island Index* is a project that gathers and publishes data on the Long Island region. Our operating principle is: “Good information presented in a neutral manner can move policy.”

The *Index* does not advocate specific policies. Instead, our goal is to be a catalyst for action, by engaging the community in thinking about our region and its future.

Specifically, the *Index* seeks to:

- Measure where we are and show trends over time
- Encourage regional thinking
- Compare our situation with other similar regions
- Increase awareness of issues and an understanding of their interrelatedness
- Inspire Long Islanders to work together in new ways to achieve shared goals

The governing board of the *Long Island Index* is the Advisory Committee, composed of leaders from Long Island’s business, labor, academic and nonprofit sectors.

The Rauch Foundation acts as the convener of the Advisory Committee and the financial underwriter of the project. Initially funded for a three year period, the Foundation has since decided to continue the project.

WHAT ARE INDICATORS?

Indicators are facts that help show how a region is doing, the way the unemployment rate helps show the health of the economy. Measuring these kinds of data helps communities:

- Identify existing conditions
- Measure progress toward goals
- Mobilize action to improve the region

HOW TO USE THE INDEX

Each *Long Island Index* is centered on the following components:

- (1) We define 11 **goals** to measure the region. The goals span six major areas of investigation: economy, our communities, health, education, our environment, and governance.
- (2) Next, there are **key findings**. These are the indicators, specific measures of how we are doing. Example: The largest industry cluster on Long Island is Health with more than 150,000 employees. The findings are presented through both written and graphic analyses.
- (3) Next is, “**Why is this important?**” This explains why the indicator is a good measure of progress toward a particular goal.
- (4) “**How are we doing?**” puts the information in context.

LONG ISLAND'S EDUCATIONAL STRUCTURE: RESOURCES, OUTCOMES, OPTIONS

INTRODUCTION

The Long Island Association describes the region's schools as "the centerpiece of our lifestyle" and "the driving force behind this region's economic vitality and attractiveness to business." But while some of our schools are the best in the country, many are not doing well at all.

What accounts for these differences? The *Long Island Index* set out over the past year to study our region's educational system. We approach the subject not from the standpoint of pedagogy—we are not educators—but rather in structural terms. We quantified how educational services are delivered on our island. By unraveling the intricate relationships between funding sources and educational outcomes in a way that hasn't been done before, we find that while we pay a lot in taxes, we don't always get what we expect and sometimes we don't get what we need.

We worked with several research teams to uncover the multiple aspects of this problem. Hofstra University completed a statistical analysis of the relationships between disparities in educational resources, challenges, and outcomes. Fiscal Policy Institute studied the impact of New York State's complex and shifting formulas for educational funding. The Survey Center at Stony Brook University polled Long Islanders on their opinions about our education system and their attitudes toward proposed reforms.

What we found is significant.

- There is a tremendous difference in what districts spend per-pupil. Even the state funding formula which is supposed to even out the disparities between districts does not end up doing that when all the funding streams are looked at in their totality.
- There is a great difference in educational needs.
- Where needs are highest, we spend the least; unsurprisingly, outcomes are the lowest. Conversely, where we spend the most, student needs are the least; in these districts, educational outcomes are not significantly better than in the middle range.
- Isolating high-needs students compounds low performance. Our study showed that high-needs students in relatively wealthy districts significantly outperformed high-needs students in poor districts. Access to more resources and interaction with a more diverse student body promote better achievement.

Long Island has resisted tinkering with its educational system. Over the years, proposals to create more opportunities for students, consolidate districts, build magnet schools have gone nowhere. Yet maintaining the status quo will not work either—it is both too expensive to sustain and not delivering the necessary outcomes for the region. As we have done in past *Index* reports, we

conducted an in-depth survey of Long Islanders to gauge their knowledge of the current situation and openness to change. We were surprised to learn how many Long Islanders are unaware of how unevenly educational resources are delivered across the region. But we were heartened to find that there was significant support for solutions that would give poorer students and the communities they live in access to wider opportunities. We were particularly struck that those individuals who understood the scope of the problem were the most supportive of considering alternatives.

With so many school districts, Long Island has evolved a zero-sum mentality—if one district gains, another loses. There are other options. We look at what other parts of the country have done to address these same problems, and we find there are many ideas for Long Islanders to consider and adapt for our situation. Starting a discussion on Long Island's delivery of educational services is tough in good economic times, and conventional wisdom would say it is dead on arrival in the current economic climate. But if the current system is too expensive and doesn't offer what we need to move the region forward, then perhaps this is the best time to consider new ideas. They have worked elsewhere, and they hold a strong potential to address our issues. It is with this goal that the *Long Island Index* conducted this research and makes it available here.

I. District Structure

THE LEGACY OF THE ONE-ROOM SCHOOLHOUSE

In comparison to the rest of the state, and the country, the most conspicuous feature of Long Island's educational landscape is the number of districts we have.

Our historic development has separated Long Island into local districts that vary enormously in size, race, income, and other features. Indeed, our region is exceptional, both in how many school districts we have and in how segregated they are.

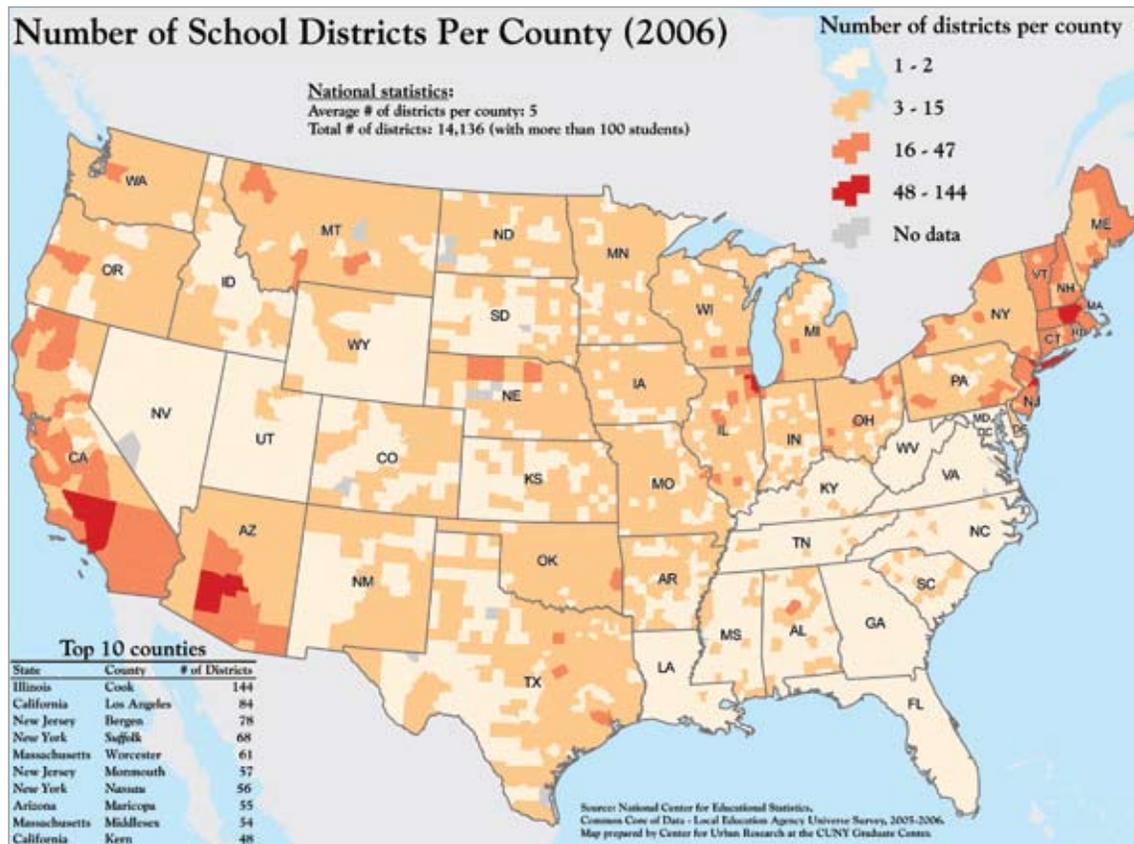
We currently have well over 100 school districts. Nassau contains 56 and Suffolk 68, placing them seventh and fourth—out of 3,066 counties in the nation—in the number of districts per county.

In the first three centuries of European settlement in this area, single-school districts and one-room schoolhouses were the norm. By 1905, New York State had accumulated 10,625 districts. Seeing the need to consolidate, the state reorganized in 1947 and again in 1958. By 1965 the number of school districts had been brought down to 792. There the process stopped. Today the overwhelming

majority of counties in the state include only 15 districts or less. Long Island is the stark exception.

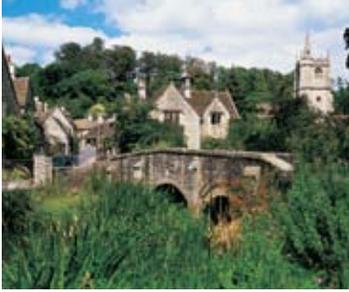
Not surprisingly, most of our districts are small, in both enrollment and area: 75% enroll fewer than 5,500 students. Eighty-three percent cover less than fifteen square miles, and 36% less than five square miles.

This fractionated structure, as we will see, aside from being intrinsically unwieldy, produces a great range of anomalies and aberrations: in school revenues, expenditures, and educational outcomes.



Long Island counties have far more districts than most places in New York and the country.

* “HOME RULE” LIVES. BUT NOT IN ITS ORIGINAL HOME.



The proliferation not only of school districts but police districts, fire districts, sanitation districts, water districts etc., is a relic of Long Island’s colonial history. Home Rule is an ancient concept of English law that spread across Long Island like transplanted sparrows. Interestingly,

the English themselves (along with other European countries) found that Home Rule interfered with their efforts to modernize and have buried the concept. Only in the New World does this medieval idea live on.

* 125 SCHOOL DISTRICTS? ARE YOU SURE?

We keep saying that Long Island has 125 school districts. But:

- In discussing results on achievement exams, we refer only to the 124 school districts that include all or some of Grades K–12.
- The 125th, Little Flower, is a “Special Act Public School” established to provide educational services to residents of the Little Flower Residential Treatment Center.
- When we refer to state financing, we count 121 districts. New Suffolk, Sagaponack, and Wainscott are too small to receive state funding; Little Flower receives its funding through different mechanisms.

- Three districts are high school only: Bellmore-Merrick, Sewanhaka, and Valley Stream. Eleven elementary school only districts feed these high school districts. Another eight districts are also elementary only, and an additional five are elementary and middle school only.

* WHAT’S IN A NAME?

Common School Districts represent the original type of school district. Today there are only 11 left in New York State, four of them on Long Island. By law, they may not operate high schools, and therefore must contract with neighboring districts to provide secondary education.

Ninety-seven of our districts, 78%, are **Union Free School Districts**. This indicates that they were formed from the “union” of

multiple common school districts, “free” from the restrictions that had barred them from operating high schools.

Central School Districts are the most common type in New York State, but only 22 are found on Long Island. These were formed through the consolidation of common, union free, and/or central school districts. In general the laws governing their structure are the same as union free school districts.

We have three **Central High School Districts**, which provide secondary education to students in two or more common or union free districts.

We have two **City School Districts**: Glen Cove and Long Beach.

II. Revenues

THE REVENUE JUNGLE

Revenue streams for Long Island schools are complicated and vary greatly from district to district. The principal sources are local real estate taxes, state aid to education, and local commercial taxes. (Federal funding for Long Island schools is small and relatively evenly distributed.)

In each of these revenue streams, there are great anomalies and disparities. Put together, educational revenues seem maddeningly inconsistent and capricious.

A. REAL ESTATE TAXES

School taxes are the largest component of local property taxes, which on Long Island are oppressively high. Indeed, Long Islanders consistently name property taxes as our region's Number One problem.

- According to a 2006 study by the *Long Island Index*, Long Island property taxes are 2.5 times the national average.

- Long Island taxes have increased 20% in the past ten years; statewide, the increase was only 6%. Among all our local taxes, school taxes have grown the most.
- Per capita property taxes on Long Island are comparable to those in peer counties such as Westchester, Bergen, and Fairfield. However, they are almost 60% higher than those in Fairfax, Virginia, an area of comparable wealth. The big difference in Fairfax: a single school district serves the entire county.

SCHOOL TAXES VARY DRASTICALLY BETWEEN DISTRICTS

Because property values vary so greatly between communities, reliance on real estate taxes produces enormous disparities. For one thing, wealthy districts are able to raise far higher revenues than poor districts.

At the same time, the system inflicts hardship on taxpayers at both ends of the spectrum. Residents of wealthy districts pay enormous sums. These are an



overwhelming burden for many, particularly senior citizens or other long-term owners forced to pay taxes on houses that are now worth much more than when they bought them.

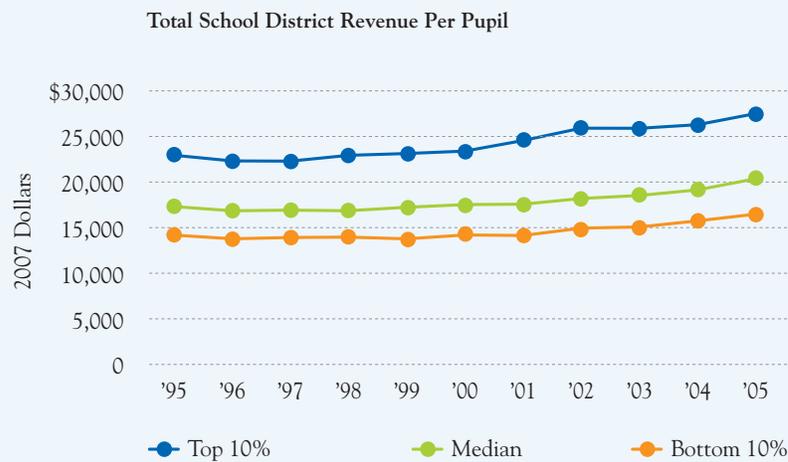
On the other hand, people in districts where income and property values are low are forced to tax themselves at extraordinarily high rates, and still are not able to raise adequate funds for their schools.

Long Island Schools and Government Percent Change in Real Property Tax Levy Compared to Inflation 1998-2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Consumer Price Index	100%	102%	105%	108%	111%	114%	118%	123%	127%
Change in Real Property Tax Levy:									
School Districts	100%	104%	109%	116%	126%	137%	148%	161%	172%
County Governments	100%	101%	109%	116%	127%	144%	144%	146%	146%
Town Governments	100%	102%	104%	109%	111%	117%	121%	128%	133%
Village Governments	100%	101%	107%	110%	115%	123%	132%	143%	150%

Source: New York State Office of State Comptroller (OSC); CGR.

School taxes on Long Island have climbed 172% in eight years—faster than any other levy, and much faster than the rate of inflation.

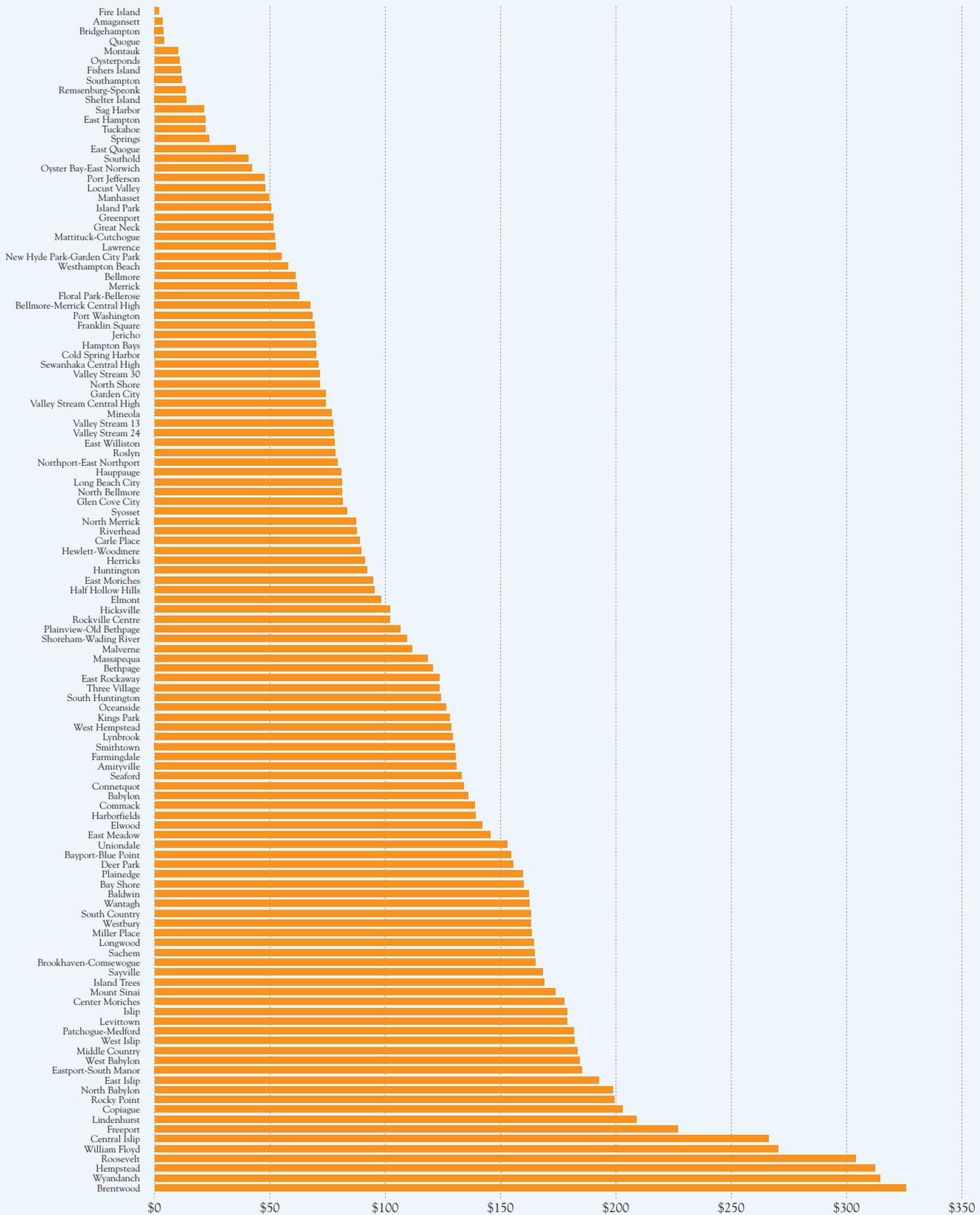


Source: New York State Education Department; Hofstra University.

From 1995 to 2005, the gap in per-pupil revenues between the wealthiest 10% of districts and the poorest increased from \$8,756 to \$11,032, in constant dollars.

THE EFFORT REQUIRED TO RAISE REVENUES FOR EDUCATION VARIES TREMENDOUSLY ACROSS LONG ISLAND.

Tax Increase on a \$450,000 Home If District Raises Expenditures by \$250/Student



Source: New York State Education Department; Fiscal Policy Institute.

Some districts could raise per-pupil revenues \$250, just by adding a few dollars to the tax on a \$450,000 home. For other districts, it would cost hundreds.

The disparity can be seen in an analysis provided by the Fiscal Policy Institute. They asked how much, in each Long Island district, taxes would have to rise on a \$450,000 home in order to increase revenues by \$250 per-pupil. The Institute found:

- The tax increase needed depends on the number of

students in the district and the overall wealth of the community (i.e., more homes with higher property values).

- In districts with high wealth-per-pupil, a relatively small tax increase will significantly raise per-pupil revenues. Where wealth-per-pupil is low, a much greater tax increase is needed.

- It would cost a Fire Island taxpayer \$1.72 per \$450,000 home to raise the funds; in Brentwood the cost would be \$325.67.

- When districts of similar size are compared, poor districts must increase taxes up to 6.5 times as much as wealthy districts, in order to raise the same per-pupil revenue.

**Tax Increase on a \$450,000 Home If District Raises Expenditures by \$250/Student
Comparison of Eight Districts**

School District Name	Number of Students in District	NYS Defined Need Level	Tax Increase	Percent Higher in High Need Districts
Wyandanch	2,254	3	\$314.39	658%
Locust Valley	2,284	6	\$ 47.81	
Roosevelt	2,945	3	\$303.92	397%
Mineola	2,865	6	\$ 76.57	
Hempstead	6,913	3	\$312.35	374%
Syosset	6,677	6	\$ 83.48	
William Floyd	10,191	3	\$270.27	207%
Smithtown	10,541	6	\$130.28	

Source: New York State Education Department; Fiscal Policy Institute.

NYS Defined Need Level*

3 = High Need Districts

6 = Low Need Districts

*These categories are based on a measure of a district's ability to meet the needs of its students with local resources.

This measure is calculated by dividing a district's estimated poverty percentage by its Combined Wealth Ratio.

When districts of similar size are compared, poorer districts must increase taxes up to 6.5 times as much as wealthier districts to achieve the same increase in per-pupil revenue.

B. STATE AID

All districts receive funding from the state. But here again, amounts differ greatly. Because wealthier districts raise so much more money from property taxes, state aid is provided disproportionately to poor districts. The additional state aid, however, does not come close to bridging the gap: the wealthiest districts end up with almost 50% more revenue per-student than the poorest districts.

When districts are grouped by affluence, these disparities become apparent. The more affluent the community, the more total revenues they raise, and the higher the percentage coming from local taxes.

SOME AID PROGRAMS UNDO THE WORK OF OTHERS

Formulas for apportioning state aid are complicated. Moreover, aid comes from a variety of programs. Some programs redistribute aid in ways that undercut the equalizing effect of the current state “Foundation Formula.”

Prior to the current formula being enacted, in the academic year 2005–06, the 20% of districts with the highest proportion of students in poverty received *twice* the amount of total state aid per-pupil as the 20% of districts with the lowest proportion of students in poverty. This formula, challenged in court by the Campaign

for Fiscal Equity, was found to be inadequate, because it did not take sufficient account of the greater educational obstacles that poor districts confront.

A new formula to direct aid based on district need was established for the 2007–08 academic year. The Foundation Formula weighed several indicators of a district’s need (e.g., poverty, Limited English Proficiency, regional cost of living differences), as well as the district’s ability to provide resources to meet those needs (e.g., district property wealth, income per-pupil, and combined wealth ratio). As shown in the chart on page 13, the poorest districts were now to receive about *three* times as much as the wealthiest.

This, however, is not what happened, because of the effects of other state aid programs—two in particular.

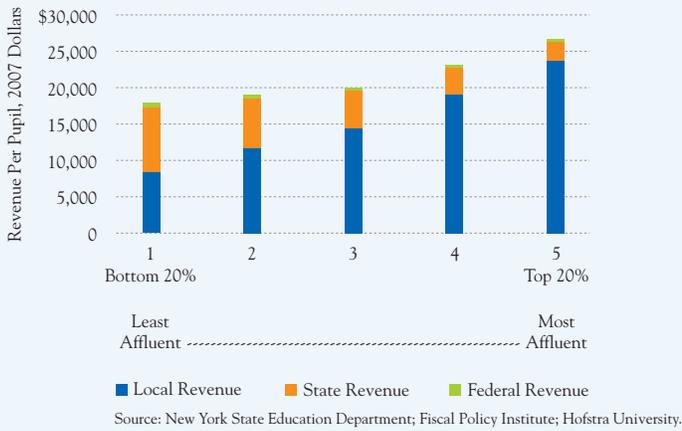
The **STAR (School Tax Relief) program** provides property tax relief for homeowners by paying a portion of the school taxes on owner-occupied, primary residences. STAR pays to *each resident’s local district* the school tax on the first \$60,096 of property value in Nassau County and the first \$56,436 in Suffolk. (An enhanced STAR program provides additional assistance to elderly homeowners who meet a maximum income requirement.)

Aid to High Tax Districts is an aid program particularly targeted toward Long Island and other downstate suburban school districts. The plan employs a complex formula, which despite the use of “high tax” in the name, directs aid mainly based on high per-pupil expenditures. The program distributed a little over \$200 million statewide, of which 70% came to Long Island.

The effect of STAR and Aid to High Tax Districts is to reduce the equalizing effect of the Foundation Formula. That formula would have provided Long Island’s neediest districts with almost three times as much aid as the wealthiest districts. When the two other programs are included, the aid dropped to only 1.8 times the aid to the wealthiest districts. That’s actually less than the 2005–06 level, which had been found inadequate.

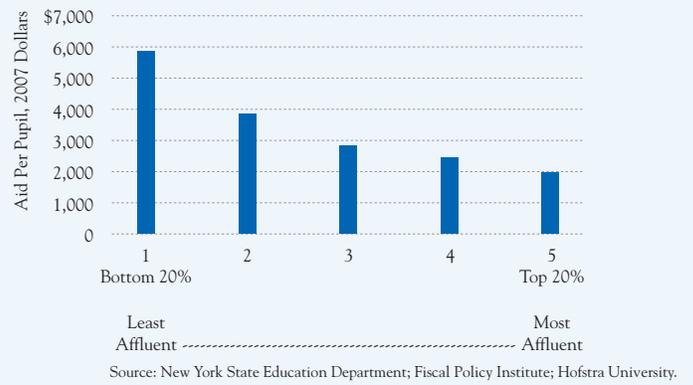
One way to correct the imbalance would be to take the total amount of state education aid coming to Long Island, including STAR and Aid to High Tax Districts, and divide the whole sum in accordance with the Foundation Formula. If this were done, Long Island’s high poverty districts would receive an average of 20% more aid per-student.

Revenue Source Per Pupil by Affluence



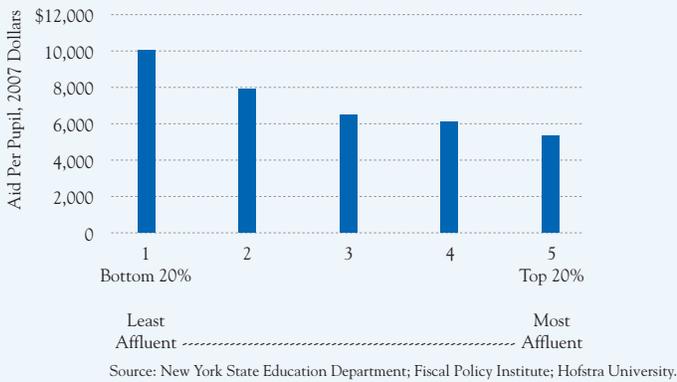
Long Island's poorest districts get much more state aid than the wealthiest, but still lag far behind in total school revenues.

Foundation Aid Per Pupil, 2008-2009



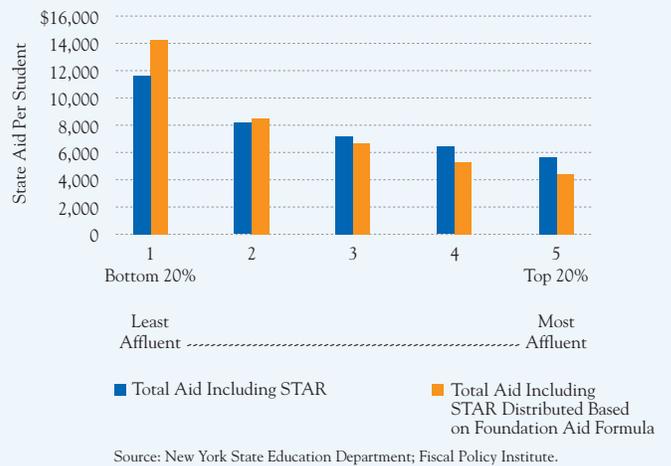
Under the Foundation Formula, the poorest districts would receive about three times as much as the wealthiest.

Total State Aid Per Pupil, 2008-2009



In practice, Long Island's poorest districts receive only 1.8 times as much state aid as our wealthiest districts—less than under the Foundation Formula, and not enough to compensate for huge differences in local revenues.

Effect of Distributing All State Aid According to the Foundation Formula



If all state aid were distributed according to the Foundation Formula, Long Island's neediest districts would receive 20% more aid.

*** WHAT SOME PLACES ARE DOING.**



DEALING WITH DISPARITY

Funding inequalities exist in many states. Vermont had huge inequities between towns with ski resorts, industrial plants, malls, or vacation homes—and few children—and towns with small tax bases and many children.

In 1997, in response to a lawsuit, the state supreme court ordered that these “gross inequities in education opportunities” end.

In designing a new system, the state sought greater statewide equity while allowing communities to make their own decisions about funding their schools.

At its simplest, here’s how it works:

- There are no longer local school taxes. Public education is funded by state taxes deposited in the state Education Fund.
- School taxes on primary residences are based on property value or household income, whichever is less. A base per-pupil spending level and base tax rates (on both property and income) are set by the legislature for primary residences.

- Local school boards may propose, and communities may elect to spend above the base level. Residential tax rates (property and income) in each community increase proportionally as voted spending per-pupil increases above the base.

- The legislature sets one school property tax rate—not variable with local school spending—for all non-residential property (land, businesses, second homes) statewide.

The system, which has been tinkered with over the years, has largely succeeded in eliminating disparities between districts, while preserving local control. Work continues to address differences in educational achievement including the issue of higher-need districts receiving more funding to successfully address their needs.

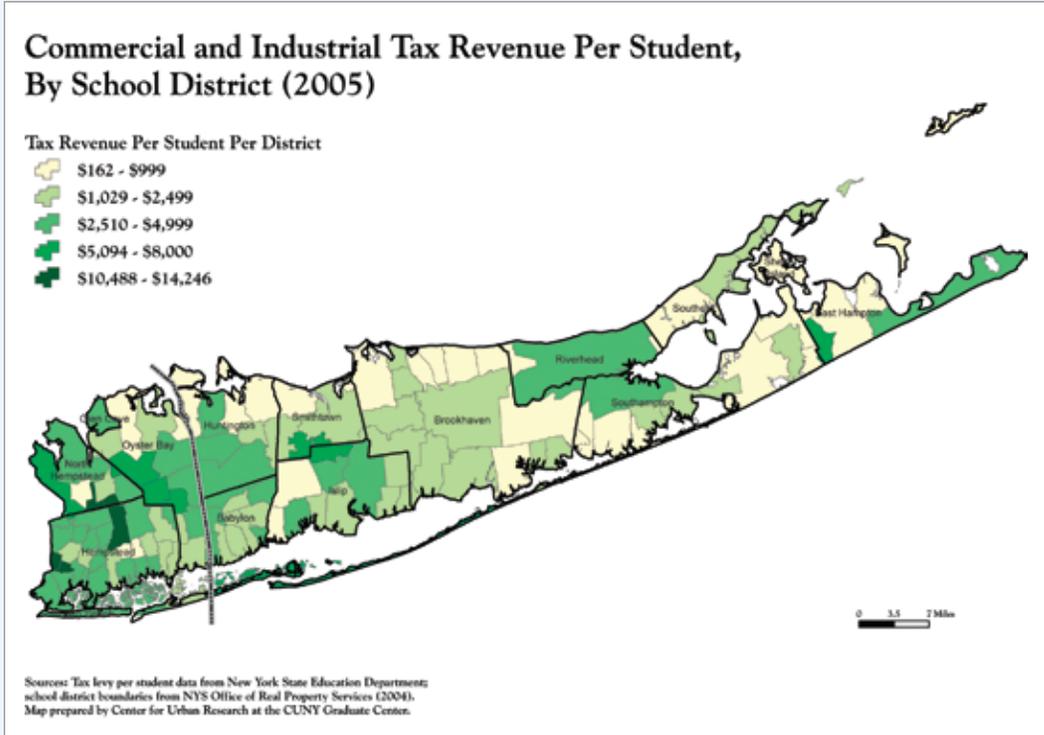
C. COMMERCIAL TAXES

Besides differing in private wealth, Long Island’s school districts also vary enormously in revenues from commercial real estate taxes. Under existing law, these revenues go entirely to the school district in which the business is

located, and this results in enormous disparities.

In communities with a large number of commercial properties, schools can be very well funded, while homeowners’ tax burden is light. In places with little commercial development, residents often

pay crushing property taxes and still schools remain underfunded. Homeowners in Uniondale, for example, pay only 29% of the school district tax levy, while those in districts such as Roosevelt, Mount Sinai, and Herricks shoulder more than 90%.



Between one district and its next-door neighbor, per-student revenues from commercial taxes can fluctuate widely.

Commercial and Industrial Tax Revenue Per Student by School District

10 Highest Districts		10 Lowest Districts	
Valley Stream 24	\$14,246	Cold Spring Harbor	\$162
Valley Stream 30	\$14,037	Sagaponack	\$261
Carle Place	\$11,831	Springs	\$300
Mineola	\$10,620	Roosevelt	\$376
Uniondale	\$10,488	Shoreham-Wading River	\$376
Hauppauge	\$ 7,923	Locust Valley	\$407
Great Neck	\$ 7,898	Miller Place	\$442
New Hyde Park-Garden City Park	\$ 7,307	William Floyd	\$474
Wainscott	\$ 6,693	Kings Park	\$496
Jericho	\$ 6,314	Eastport-South Manor	\$503

Source: New York State Education Department; Fiscal Policy Institute.

Commercial taxes in some districts bring in more than \$14,000 per-student; in other districts only a few hundred dollars.

* WHAT SOME PLACES ARE DOING.

“THE MINNESOTA MIRACLE”

In regions where school districts are large, revenue disparities are less glaring. But even where districts are small, inequities can be reduced by sharing or “pooling” commercial taxes among neighboring districts.

Commercial tax pooling was most famously implemented in the Minneapolis-St. Paul region, where the Mall of America and other commercial development brought in huge revenues to Bloomington, while nearby communities languished. The Fiscal Disparities Act in 1975 brought a seven-county area into a tax-sharing pool. Existing commercial revenues were left untouched, but

each county contributes 40% of the *growth* of its commercial sector, with the pool distributed based on population and property values. Now in its fourth decade, the program, known as “The Minnesota Miracle,” has reduced disparities and is credited with saving older towns from insolvency.¹

Harvey Levinson, former Chairman of Nassau County’s Board of Assessors, has raised the idea of pooling in relation to the proposed Nassau Hub. If all of the added tax revenues from this development went to one school district—Uniondale—homeowners there could see their taxes cut in half, while residents in neighboring communities would get no relief at all. Levinson suggests that the benefits be more widely

distributed, with Uniondale receiving extra shares to offset local impacts from the development.

* SURVEY *



The idea of tax pooling appeals to Long Islanders. In a *Long Island Index* survey this year, 73% said they would support “a proposal to pool commercial property taxes and distribute them equally throughout the county’s school districts.” The 2006 Suffolk County Homeowners Tax Reform Commission agreed that regionalizing commercial taxes could promote greater equity, but noted that “implementation would be difficult.”²



¹ Myron Orfield and Nicholas Wallace, “The Minnesota Disparities Act of 1971: The Twin Cities’ Struggle and Blueprint for Regional Cooperation,” *William Mitchell Law Review*, Volume 33, Number 2, March 7, 2007, pages 591–612.

² Suffolk County Homeowners Tax Reform Commission, Report delivered to the Suffolk County Legislature on December 27, 2006; Section IV: Fixing the Existing System, Page 6.



III. Resources

RESOURCES VS. NEEDS

We have seen how the educational landscape creates anomalies and imbalances in revenues. Turning to school expenditures, we find similar inconsistency and irrationality. Often schools with the greatest needs get the fewest resources, while elsewhere large sums are spent that do not improve educational achievement.

To begin with, the vastly different revenues raised by school districts result in huge differences in per-pupil expenditures. On average, almost \$8,000 more is spent each year on a child in one of the wealthiest districts than a child in one of the poorest.

IMPACTS ON SCHOOLS

Lower expenditures translate into substantial educational disadvantages for Long Island's poorest schools. Comparing key features in Long Island schools, Hofstra University researchers discovered:

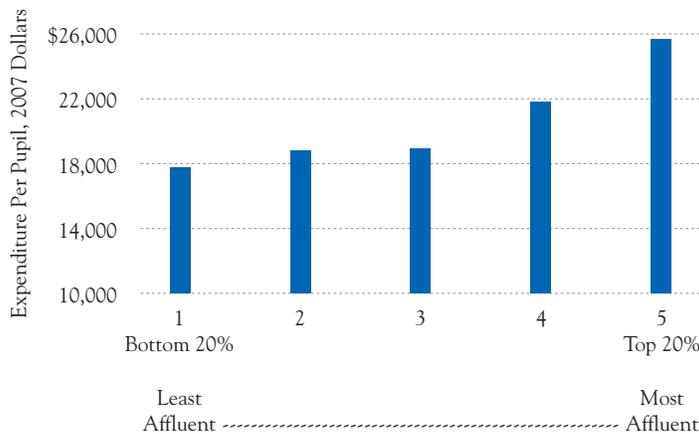
- Schools in the poorest communities have larger numbers of students than those in wealthier communities: an average of over 800 compared to about 600.
- The poorest communities have higher student-teacher ratios: 15:1, compared to 13:1 in the wealthiest districts.
- Almost all teachers, 97%, have a Master's degree or higher in

schools in the wealthiest communities, compared to 82% in the poorest. In some of the latter schools, only 50% of teachers have a Master's degree.

- Schools in the wealthiest districts have twice as many computers, essential educational tools today, as schools in the poorest districts.
- Wealthy districts also provide newer text books, better facilities, more Advanced Placement courses, and more specialized classes such as art and music.

Differences in resources make Long Island's poorest and wealthiest schools very different places.

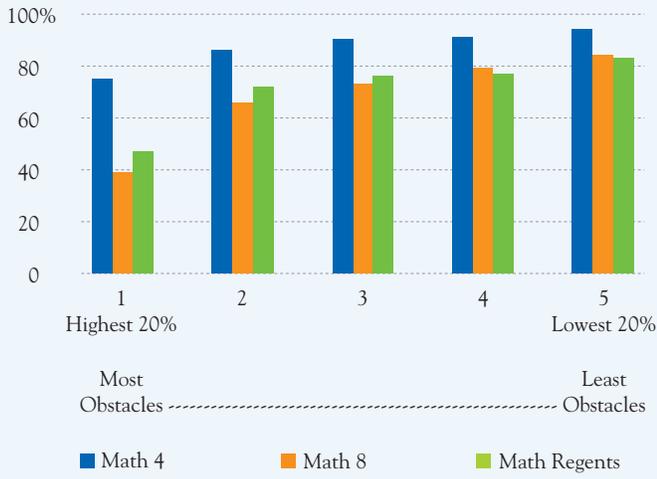
Average School Expenditures Per Pupil by Community Affluence



Source: New York State Education Department; Hofstra University.

Schools spend 45% more—almost \$8,000 more—per child in the wealthiest one-fifth of districts than the poorest.

**Percent Passing Math Exams:
Elementary, Middle and High Schools**



Source: New York State Education Department; Hofstra University.

The fewer the obstacles, the higher the achievement. But the quintile that faces the greatest obstacles is by far the most affected.

Gap in Achievement: Highest Obstacles vs. Lowest Obstacles



Source: New York State Education Department; Hofstra University.

The achievement gap for children with the most obstacles, significant in fourth grade, becomes overwhelming by eighth.

ADDRESSING EDUCATIONAL OBSTACLES

Long Island school districts differ greatly not only in their resources, but also in their needs. Some schools face special educational hurdles, including high poverty, high population of students with Limited English Proficiency (LEP), and a high degree of racial segregation—Whites and Asians separated from Blacks and Latinos.

The researchers grouped the schools from those with the greatest obstacles to those with the least, and correlated the obstacles with academic achievement. They found that achievement in high-obstacle schools consistently lagged behind that in low-obstacle schools.

- Students in the highest-obstacle group showed by far the poorest performance. Gaps between other groups were slight.
- The gap widens as students grow older. By eighth grade the difference in math proficiency reaches 45 percentage points—2.5 times the fourth grade gap. (The seemingly lower gap in Regents scores is misleading: many underperforming students have dropped out of school by then and do not take the test.)
- Similar patterns were found for scores on English examinations, graduation rates, and overall college readiness.

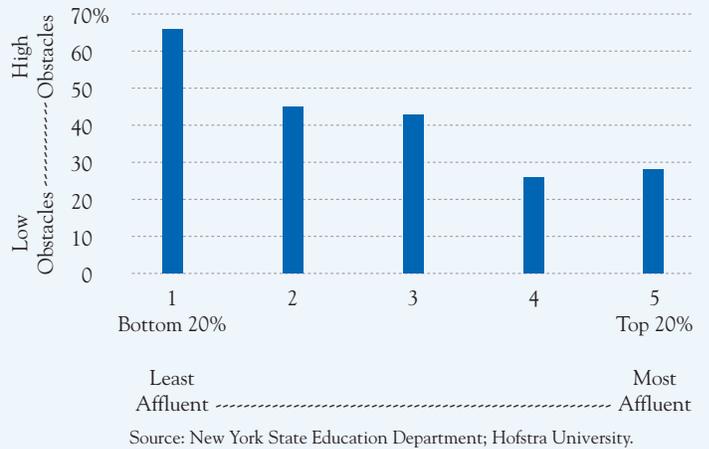
STRUCTURAL MISMATCHES

Schools facing higher obstacles obviously require *greater* resources. But here again our local district structure creates anomalies. Not surprisingly, the schools with the highest obstacles exist in communities with the least affluence, as the accompanying chart shows.³

These schools start out with less money, and have to devote more of it to everything from more ESL (English as a Second Language) staff to remedial programs to greater school security. That leaves less money available for all those other things: the small class-sizes, qualified, experienced teachers, computers, enrichment programs, and so on.

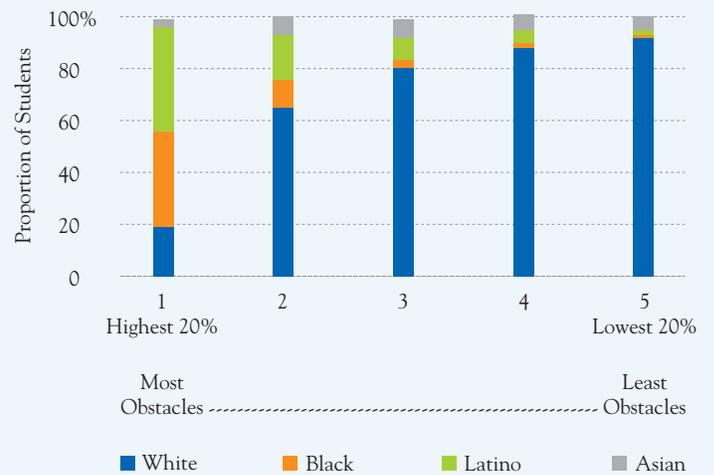
Meanwhile, in other districts large sums are spent that do not translate into higher achievement. On eighth grade math tests, for example, 80% of students in Long Island's wealthiest schools are proficient—no better than in mid-range schools.

Obstacles by Community Affluence



Schools in the least affluent communities are the ones that face the greatest educational obstacles. These schools need more resources; instead they get less.

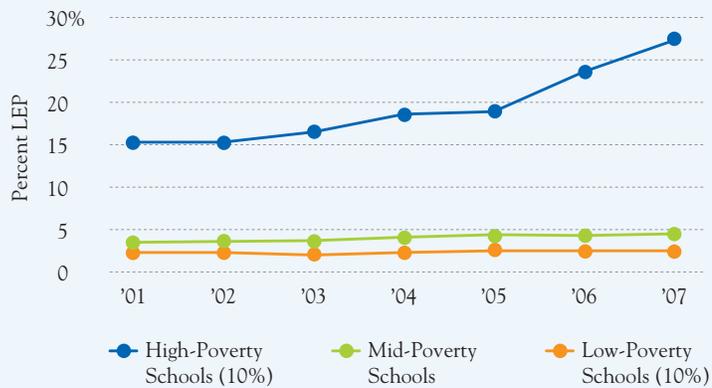
Learning Obstacles by Race



Obstacles fall heaviest on people of color. Schools facing the greatest learning obstacles are, taken together, almost 80% Black and Latino, while schools with the least obstacles are over 90% White.

³The greater presence of obstacles in the most affluent 20% of schools is an anomaly based on a number of very affluent districts, particularly in the East End and on the South Shore, where there are a large number of second homes which adds to the communities' affluence but the full-time residents are not as wealthy. There are also a few districts where a high percentage of wealthier families send their children to private school rather than the local public schools. Both factors contribute to this slight upward trend in obstacles within the schools compared to the community as a whole.

School Poverty on Long Island:
Percent of Students with Limited English Proficiency (LEP)



Source: New York State Education Department; Hofstra University.

MEETING THE LEP CHALLENGE

One major obstacle to student achievement is Limited English Proficiency. LEP students need special instruction, which can add to school costs. The problem is aggravated because the poorest schools have the highest percentages of LEP students—five times the percentages of low- and mid-poverty schools. In other words, the schools with the most LEP students have the least resources to help them.

What is more, the percentages of LEP students are rapidly rising.



* WHAT SOME PLACES ARE DOING.

GREATER RESOURCES, MORE FLEXIBILITY

“You have a whole system reacting to a problem.” That’s how one town mayor explained one big advantage of schools in Northern Virginia.

Fairfax and neighboring Loudoun County in the suburbs of Northern Virginia (NVA) resemble Long Island, in both levels of affluence and levels of poverty—and in exceptional student achievement. The big difference is that in NVA each county has a single consolidated school system.

That gives them the ability to focus resources where they are needed. Adding more ESL

teachers in schools with high immigrant populations, for example, or reducing class sizes where necessary to meet the needs of struggling students.

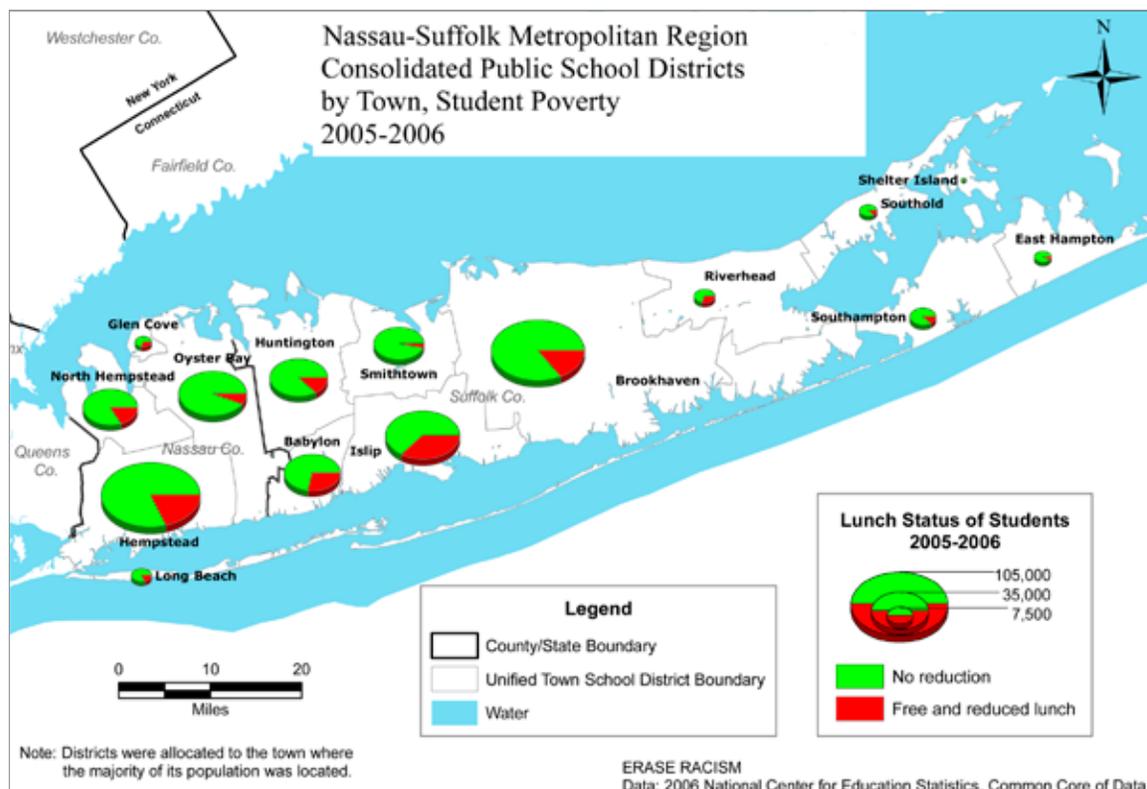
“I believe we must support these students to ensure they graduate with the same skills as their peers,” says Fairfax Superintendent Jack Dale. There is no question that Long Island superintendents share his goals. They simply do not command the overall level of resources, or the flexibility to put them where they’re needed.

CLOSER TO HOME

The New York State Commission on Property Tax Cap recently

proposed consolidating districts with fewer than 1,000 students, as a way to reduce school costs and taxes. The plan would authorize the State Commissioner to require consolidation of districts up to 2,000 students.

ERASE Racism examined the effect of consolidating Long Island’s districts along town and city lines. This would produce a total of 15 districts, which would be far less segregated by race and income. The new districts would greatly reduce differences in per-pupil spending, and provide the flexibility to direct resources more effectively.



If districts followed town and city boundaries, none would have an overwhelming proportion of poor students. Also, more resources would be available to target specific needs.

*** WHAT SOME PLACES ARE DOING.**

TOP STUDENTS NEED RESOURCES, TOO

In New York City, acclaimed schools such as Stuyvesant and Bronx Science offer peerless educational opportunity to top-performing children from across the city. A large district can do that on a level that small districts cannot match.

But even where districts remain independent, regional high-performance schools are possible. In the 1980s and again in the 1990s “high schools of excellence” for the best and brightest students were proposed for New York State, including one for Long Island.

Such schools provide a path to outstanding achievement for children in districts that lack the resources to offer such programs. Wealthier districts are able to nurture such students within their own schools, through AP programs, special art programs, and the like. But even wealthy schools can’t do everything,

and top districts vary in what they offer:

- One district may have an unbelievable music program: it would be perfect for Angela, but too bad—she lives in the next village over.
- Over 20% of the semi-finalists in Intel’s national Science Talent Search in the last ten years have come from Long Island schools—but half of them came from just seven districts. Imagine what Long Island’s kids would do if they all had access to what’s going on in those seven districts.

Indeed, when Governor Cuomo came to Hauppauge to drum up support for a high school of technology for gifted students, he emphasized the role of such schools in growing a corps of top graduates with the talent to rejuvenate the business sector. Cuomo said of Long Island, “You either make this place a high-tech capital of the United States or it won’t develop.”⁴

Opposition comes mainly from the top districts, which fear that such schools would skim off their best students, as well as state aid based on enrollment. But experience elsewhere shows that students in districts with solid programs for the gifted and talented usually stay there. Most of the children in high-performance schools come from the districts, both rural and urban, where educational resources are limited.⁵

*** SURVEY *** 
When Long Islanders were asked whether they would support a magnet school to provide in-depth instruction in science, mathematics, or the arts, two-thirds said that they would. When asked if they would support the creation of such a school in their own district, support did not waver—63% said that they would.

⁴“Cuomo Pledges Technology School for Talented,” *New York Times*, August 25, 1994.

⁵Pearl R. Kane, “Send Gifted Kids to High School Together,” *Newsday*, Section: Viewpoints, December 5, 1988, page 51.

IV. Outcomes

TROUBLING DISPARITIES

POOR CHILDREN FARE POORLY

There is a wide and persistent gap in educational achievement between schools on Long Island, with low-poverty and medium-poverty schools far outstripping schools where poverty is high. A comparison of eighth grade Mathematics tests, a key indicator of high school and college success, showed 80% of Long Island students in low- and medium-poverty schools meeting state standards. In high-poverty schools the rate plummets to 40%.

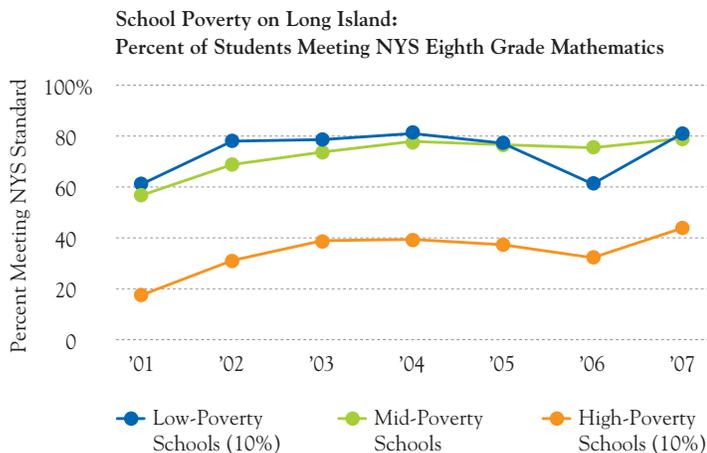
The source of this disparity has already been discussed. Children

in poor communities face added obstacles to learning. Their schools need *more* resources to help these children, but because of disparities in local tax revenues, they usually have less.

SEGREGATION

Long Island districts are separated by race as well as by income. Blacks and Latinos are clustered in areas of such extremely high concentrations, that to achieve racial balance across the region, 74% of Blacks would have to move. That makes Long Island the third most racially segregated region in America.⁶ Segregated communities mean segregated schools: island-wide, half of all Black and Latino students attend schools that are at least 95% students of color.

Segregation patterns emerged in the postwar era from housing development that was often segregated by design. Long Island's most famous suburb, Levittown, is a prime example. The original Levittown deeds forbade occupancy by "any person other than members of the Caucasian race."⁷ Despite the Supreme Court's 1949 ruling finding such restrictive covenants unconstitutional, private restrictions remained in effect until the Civil Rights Act of 1968. The impact of these restrictions persists. Today 89.3% of Levittown's residents are White, 9.7% are Latino, 4.7% Asian and 0.6% are Black. Much of Long Island reflects a similar pattern.



Source: New York State Education Department; Hofstra University.

Students in the wealthiest third of school districts do no better than those in the middle third. But in our poorest schools, proficiency rates drop by half.

⁶U.S. Bureau of the Census, 2000.

⁷John Powell, Institute on Race and Poverty, *Racism and the Opportunity Divide on Long Island* (Briefing paper prepared for ERASE Racism, 2002), p. 5.

By 1965 concerns about segregation had moved the State Education Department along with the New York State Commission for Human Rights to investigate the matter. They found the situation on Long Island particularly worrisome. In Nassau County, twelve communities were found to have a very high concentration of nonwhites; in Suffolk County, nine communities. According to the 1965 report, “Racial and Social Class Isolation,” as Long Island’s population expanded, nonwhites remained an isolated group. “Numbers of nonwhite residents advanced in only a few communities,” the report observed in classic understatement, “and there the proportions were markedly greater than in neighboring locations... .”⁸

Looking ahead, the report said, “If the existing population patterns persist, there will be even greater concentrations of nonwhites in given suburban communities as the over-all increases occur.” Forty-plus year later, this prediction stands confirmed.

SEGREGATION AND EDUCATION
Since *Brown vs. Board of Education* over a half-century ago, it has

been understood—and has been the law of the land—that going to school in separate facilities is harmful to children. Over the decades, countless national studies have confirmed that kids do not do well in segregated conditions. They do worse in segregated schools than in integrated ones. Within integrated schools, they do worse in highly tracked, substantially segregated classes than in heterogeneously grouped classes.

IMPROVING OUTCOMES FOR POOR, STUDENTS OF COLOR

To isolate the role of school districts themselves in educational achievement, researchers at Hofstra compared students in poor schools in *poor* districts to students in poor schools in *wealthier* districts. Across the board—in achievement tests at different grade levels and in high school graduation rates—the students in wealthier districts outperformed those in poor districts. On state math tests, students from wealthier districts scored 11 to 19 points higher than those in poor districts.

Two factors help explain the difference. One is the greater resources of wealthier districts,

which translate into smaller classes, more experienced teachers, and the rest. The other is a different educational environment. As Richard Kahlenberg explains,

It’s an advantage to have peers who are academically engaged and expect to go to college; parents who actively volunteer in the classroom and hold school officials accountable; and highly qualified teachers who have high expectations. On average, all these ingredients [of] good schools are far more likely to be found in middle-class than poor schools.⁹



⁸Robert P. O'Reilly, *Racial and Social Class Isolation in the Schools: Implications for Educational Policy and Programs*, 1970, Praeger Publishers, New York, page 61.

⁹Richard Kahlenberg, “Radical idea: Open the doors of affluent schools to Chicago students”; *Chicago Tribune*, August 22, 2008.

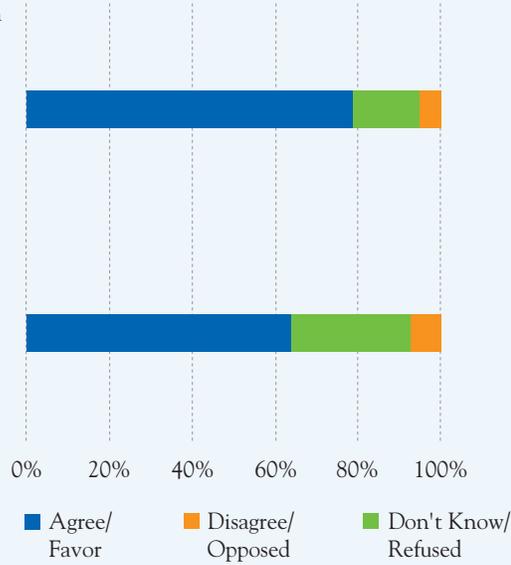
Long Islanders See Diversity as an Important Goal

*** SURVEY ***



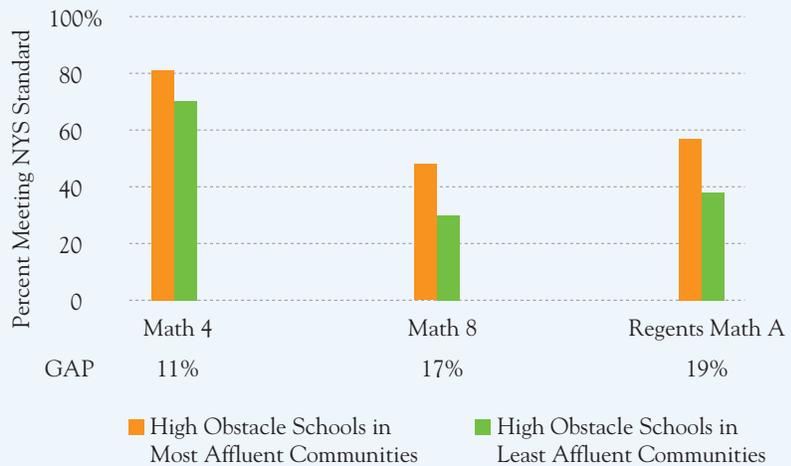
Do you agree or disagree: Children who attend schools with a mix of students from different ethnic, racial and economic backgrounds are more prepared for the diverse settings of college and the workplace than children who attend segregated schools.

To what extent do you favor or oppose the consolidation of school districts if it would help to include children of all racial and ethnic backgrounds in the same school district?



In our poll 79% strongly or somewhat agree that when children attend schools that are more diverse it better prepares them for college and the workplace. 64% support consolidation to make the schools more diverse.

Math Results for High Obstacle Schools in Most Affluent and Least Affluent Communities



Source: New York State Education Department; Hofstra University.

Poor students score 11–19 points higher in wealthier districts than similar students in similar schools in poorer districts.

* WHAT SOME PLACES ARE DOING.

UNBOUNDED SUCCESS

Pursue equity. Excellence will follow. believes Carol Corbett Burris, principal of South Side High School in Rockville Centre. She speaks from experience.

Administrators in Rockville Centre were troubled by the persistent achievement gap between, on the one hand, Blacks and Latinos, and on the other, Whites and Asians. They were troubled, too, by the over-representation of Blacks and Latinos in low-achieving classes.

And so in the late 1990's they started de-tracking their classes. Instead of isolating all the "gifted" students in one class, the "slow learners" in another, they mixed

the classes by ability and race, and they taught a new, more rigorous curriculum to everyone.

What happened to achievement?

Intuition might tell you that the low-track students might go up, but the high-track students would go down. That's not what educational research shows, however.

And it's not what happened in Rockville Center.

- In 2000, the last year biology classes were tracked, 48% of Black and Latino students passed the State Regents exam, and 85% of White and Asian students. In 2001, with heterogeneous classes and a more rigorous curriculum, the pass rate

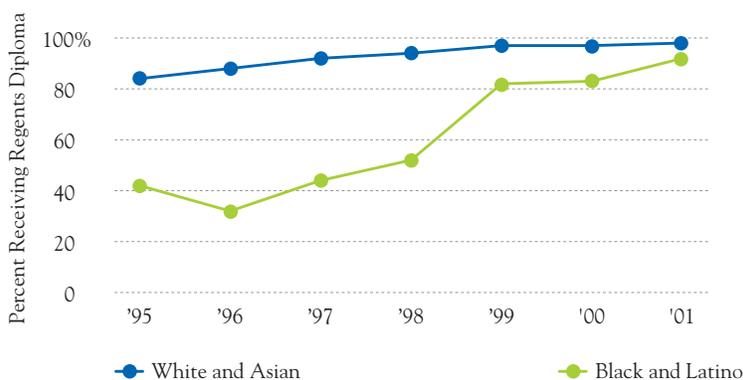
for Blacks and Latinos shot up to 77%. What about the Whites and Asians? They climbed to 94%.

- When South Side opened Advanced Placement calculus to all its students, enrollment jumped 40%. Despite all those extra "low achievers," the class average on the AP exam went up.

And so it went in class after class. All groups went up. And the achievement gap closed.

Burris draws a lesson from her experience. Give all students access to first-class learning opportunities, she concludes, and everyone wins.

Rockville Centre Regents Diploma Rates by Year of Entry and Race/Ethnicity



Source: New York State Education Department; Carol Burris.

In Rockville Centre, when heterogeneously grouped classes were introduced, Blacks and Latinos dramatically closed the achievement gap.

* WHAT SOME PLACES ARE DOING.

SMART MOVE

Seven regions across the country promote educational opportunity through Voluntary Inter-District Transfer programs.

Students from struggling schools, typically in inner cities, attend school in nearby suburban districts. The programs are voluntary for both the transferring students and the receiving schools. Yet the programs have been running for 45 years, and have grown in size—to as many as 8,000 children, and as many as 37 districts.

These are win-win programs, in which both the transferring students and the receiving schools

benefit. A study of Boston's METCO program found that academic achievement for the transfer students closely mirrored the high achievement of the suburban students. The transfer students attend college at nearly the same rate as their suburban classmates, and at a rate 10% higher than the statewide average. 100% of METCO seniors passed the 10th grade state achievement exams in English and math, compared to 75% in the Boston city schools.¹⁰ In a 1997 evaluation of METCO, researchers found that 82% of students surveyed reported a good or excellent experience with the program.¹¹

Geographically, transfer programs would be quite practical on Long Island: the small size of our districts would make transportation manageable.

* SURVEY *



Our poll asked Long Islanders what they thought of offering a limited number of children in failing school districts the chance to attend better schools in nearby districts where space is available: 67% were in favor and only 27% were opposed. When asked if they would favor such a plan in their own school district, support did not significantly decrease: 64% were in favor and only 30% opposed.

City and Program Name	Year Founded	Current Student Enrollment	Participating Districts	Waiting List
St. Louis, MO Voluntary Interdistrict Transfer Plan	1983	8,000	16	Seats available for 31% of the students who apply.
Hartford, CT Choice Program	1997	1,070	27	Estimated to be in the thousands; exact records not available.
Boston, MA METCO Program	1996	3,300	37	Reported to be as high as 13,000.
Milwaukee, WI Chapter 220 Program	1976	3,000	22	Seats available for 19% of the students who apply.
Rochester, NY Urban-Suburban Transfer Program	1965	800	7	Seats available for 20% of the students who apply.
Tinsley (Palo Alto, CA) Interdistrict Transfer Plan	1986	824	1	Seats available for 75% of the students who apply.
Minneapolis (MN) The Choice Is Yours Program	2001	2,000	10	N/A

Source: Holme, J. J. & Wells, A.S. (2008). "School Choice Beyond District Borders: Lessons for the Reauthorization of NCLB from Interdistrict Desegregation and Open Enrollment Plans" In Richard Kahlenberg (Ed.) *Improving on No Child Left Behind*. New York, NY: The Century Foundation.

¹⁰METCO Program publication, *Education Policy Initiatives*, January 19, 2007; http://www.metcoinc.org/METCO_Policy_Initiatives_Updated_1-19-07.pdf.

¹¹"METCO Study Finds Broad Support from Parents/Students," *The Harvard University Gazette*, September 25, 1997; <http://www.hno.harvard.edu/gazette/1997/09.25/METCOStudyFinds.html>.



V. The Future

TAKING UP THE CHALLENGE

Our examination of education on Long Island shows us a school system with a rich history, but an unpromising future. A system handed down over centuries now lacks efficiency and flexibility. From kids with learning disabilities to budding artistic prodigies, too many of our children aren't getting what they need. Our costs keep soaring, while thousands continue to fail.

THE IMPERATIVE FOR CHANGE

The failures and enormous disparities of our school system raise concerns both ethical and practical.

On the one hand, these conditions do not match our values. Such vast inequity violates our most basic concept of fairness, and America's foundational belief in equality of opportunity.

From a practical standpoint, our failure to meet the needs of so many students threatens the economic viability of our region.

In a post-industrial, high-technology society, a region's economic survival stands or falls on the talent of its workforce.

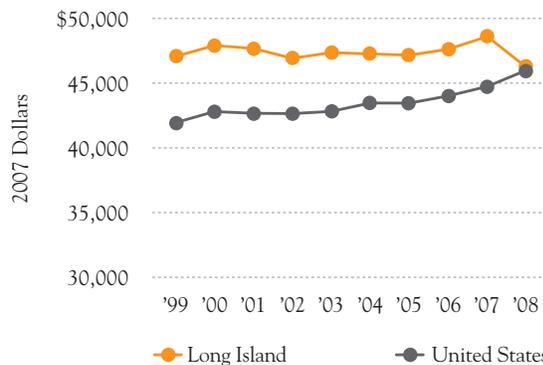
A study for the Lumina Foundation found that at current rates, by 2025 the nation will face a shortfall of 16-million college-educated workers. Nationwide, the race is on among regions both to attract educated workers and to "grow them locally." In successful, high-tech centers like Silicon Valley and San Diego, region-wide groups are focused as never before on raising school achievement.

Nations around the world have joined the competition, and are gaining on the United States at alarming rates. We used to have the highest college-education rates in the world, and still do among those aged 55–64. But among those aged 25–34, we've fallen to tenth, as other nations

have raced past us. Today college-degree rates are increasing faster in every other country tracked by the Organization for Economic Cooperation and Development (OECD) than here in America.

In this environment, a region that leaves significant numbers of its children undereducated is heading for disaster. Already Long Island's economy is stagnating. Growth in high-paying skilled jobs has stalled, and our decades-long income advantage over the rest of the country has now disappeared. Our economic future hinges on whether we can succeed in incubating new businesses in next-generation technologies such as biotech. That simply will not happen without a highly educated young workforce.

Average Pay Per Employee, U.S. and Long Island



Source: Bureau of Labor Statistics; Hofstra University.

Long Island was long known for high incomes. That advantage has all but disappeared.

THE PATH TO CHANGE

To meet the challenge, we need to come together in a vigorous and sustained regional dialogue.

We must elevate education to the top of our regional agenda. Leaders and ordinary citizens, experts and advocates, educators and businesspeople, must come to the table—and stay for as long as it takes. We're going to need both leadership and cooperation.

We'll also need to study hard, and think big.

OPENNESS

The problems we face are long-standing and have deep, structural roots. We need a vision as big as the challenge.

We need a wide search for solutions, not a narrow one. This Special Analysis has offered snapshots of some of the many approaches being tried in other places. Now is a time to lay all options on the table and earnestly explore each one: *Could it work here? How might it be adapted to make it work?*

We need an unbounded vision. We must preserve what's best in our schools, without being constrained by the way it's always been.

Centuries have shaped our local perspective, which now views education as a zero-sum game. If one district gains, another must lose. If a magnet school opens, districts that send their students will lose funding. If ESL students get more, regular education programs will get less. The conversation stops. The answer is no. Such has been the history of our region, and it has to change.

To change it, we must maintain the bigger picture. Stay clear about how our region depends on better educated students. Keep in sight that we will stand or fall together.



*** SURVEY ***



AWARENESS

Poll data reveal that many people are as yet unaware of our educational realities. For example:

- Half of all Black students attend schools that are 95% non-White, but only 34% of Long Islanders realize this fact.
- Only 26% of Long Islanders know that expenditures vary greatly from one school district to another.

- 61% believe that a Black or Latino child in Long Island public schools receives the same quality of education as a White child, and 57% believe poor children receive the same quality as middle-income children.

Polls show that a majority of Long Islanders support systemic changes to decrease inequities, reduce segregation, and bring more resources to poor students and students of color. But while all groups support change, support is higher among Blacks and

Latinos than Whites. In part, the difference may reflect the fact that these groups would most directly benefit from proposed reforms. But a second factor may also be at work: Blacks and Latinos are more aware of the problems.

The *Long Island Index* commits itself to the effort to increase public awareness and understanding in regard to our education system; we urge individuals and groups from across the Island to join in the effort.

Those Who Said They Strongly or Somewhat Agree	All	White	Black	Latino
Favor the creation of magnet schools	66%	63%	76%	75%
Favor consolidation of school districts	64%	61%	82%	77%
Favor allowing children in failing school districts the chance to attend better schools in nearby districts	64%	64%	79%	76%
Favor offering White parents the option of sending their child to a more racially diverse school outside their district, including a magnet school	60%	58%	77%	62%
Favor pooling commercial property taxes	73%	69%	87%	80%
Favor housing for lower-income families in middle class and wealthier neighborhoods	61%	57%	84%	70%

AN URGENT CHALLENGE

Our school system, though admirable in many ways, does not reflect our values, nor serve our needs. As the demand for a well-educated workforce becomes more urgent, so does the necessity of securing a top-flight education for every student. Failure to do so now threatens to blight not only the dreams of our children, but the viability of our region. The status quo is not an option.

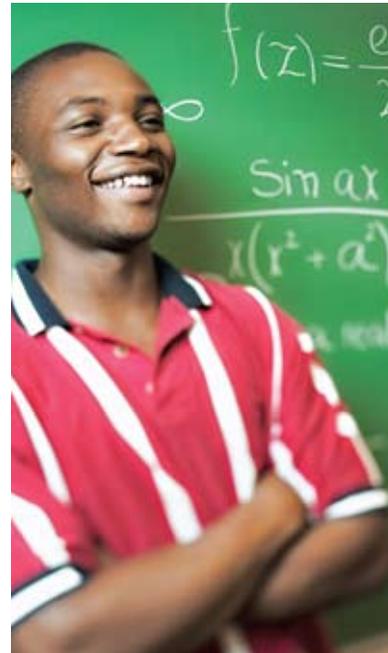
The can-do spirit that made Long Island America's leading suburb in the post-war era came mainly in local, individualized efforts. Today we must harness that spirit to a new cooperative effort.

Time is not on our side. Our economy is losing ground—to regions that have made educational reform a top priority. It is unreasonable to think conditions will improve for us, if we don't take steps to improve them. The

coming generation of children may well be Long Island's last best hope for economic renewal. Our actions in just the next few years will determine whether we nobly save or meanly lose that hope.

“I believe deeply that we cannot solve the challenges of our time unless we solve them together—unless we perfect our union by understanding that we may have different stories, but we hold common hopes; that we may not look the same and we may not have come from the same place, but we all want to move in the same direction—towards a better future for our children and our grandchildren.”

Barack Obama





Economy



GOAL #1—GROWTH AND PROSPERITY

OUR ECONOMY GROWS AT A RATE THAT RESULTS IN AN IMPROVED QUALITY OF LIFE FOR ALL.

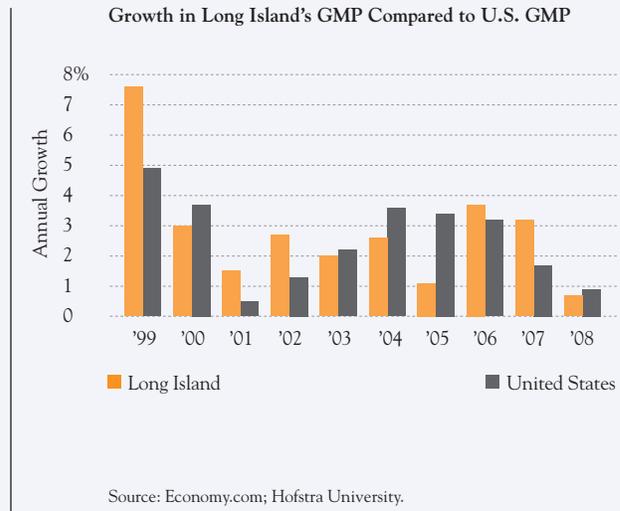
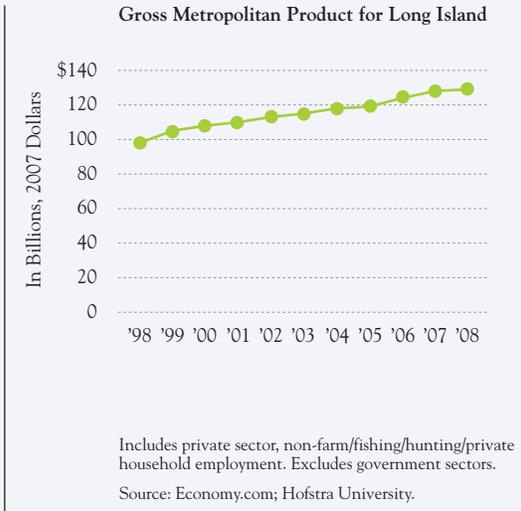
INDICATOR:

GROSS METROPOLITAN PRODUCT/GROSS DOMESTIC PRODUCT

Long Island's economy may be at the beginning of stagnation.

WHY IS THIS IMPORTANT?

The Gross Domestic Product (GDP) is a measure of the extent of economic activity within a defined geographical region or within a sector of a defined economic region. When referencing a defined metropolitan area it is sometimes referred to as the Gross Metropolitan Product (GMP). Essentially the GDP/GMP measures the economic output of a region and can be used to compare overall economic activities across regions, or the contributions of various sectors.

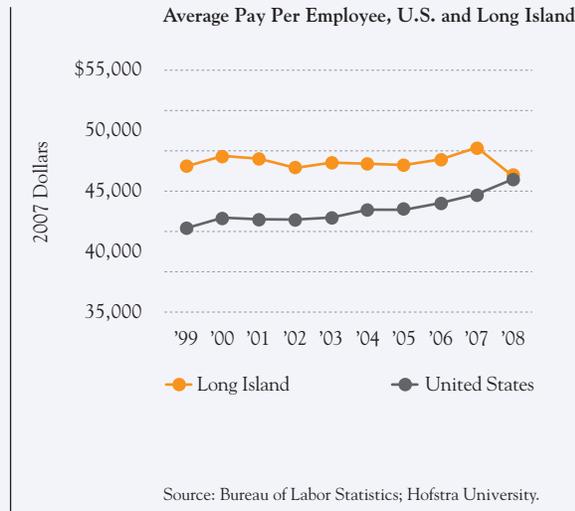
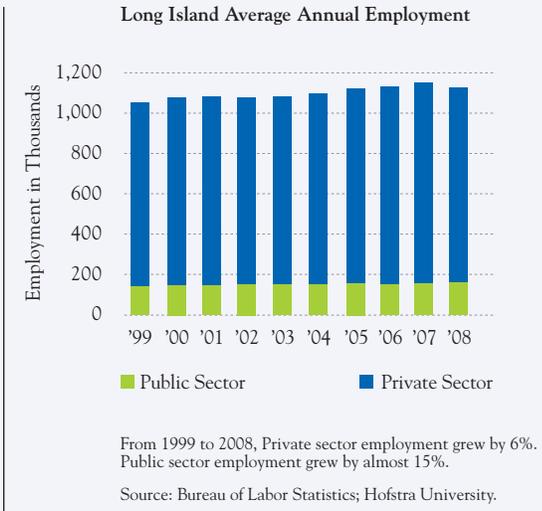


HOW ARE WE DOING?

The total private sector GDP for Long Island in 2008 was about \$129 billion. This was up only from \$128 billion in 2007. Overall, Long Island's private sector of the economy has grown by 32% from 1998 to 2008. Growth has averaged about 3% per year. However, there was greater growth earlier in the period and slower growth more recently. Growth in GDP from 2004 to 2008 has averaged about 2%. There was almost no change between 2007 and 2008 (growth of .08%). Significantly, Long Island's growth trails the U.S.

WHAT DOES "2007 DOLLARS" MEAN?

The purchasing power of a dollar changes over time. If the items we buy generally cost more today than they did ten years ago, then one dollar today is worth less than a single dollar was back then. Therefore, it is necessary to adjust for that in order to create a common scale when we compare dollar values (e.g., when comparing wages) over several years. By picking a single year as the standard (say, 2007), dollars from earlier years can be "inflated" using the Consumer Price Index in order to estimate what those earlier dollars would be able to buy in 2007. Similarly, dollars from later years can be "deflated" to what their purchasing power would have been in 2007. By converting all values to the same scale it is much easier to detect the presence or absence of any trends over time (e.g., are wages actually rising, falling or remaining the same?).



INDICATOR:

EMPLOYMENT TRENDS

Overall employment growth decreased in the last twelve months.

WHY IS THIS IMPORTANT?

Job gains or losses measure regional economic vitality. This chart shows annual average private non-farm employment, government and military, and total employment on Long Island during the past ten years.

HOW ARE WE DOING?

Long Island's overall private sector employment grew by about 6% between 1999 and 2008. That reflects an average annual increase of .7% and an absolute increase of about 55,000 jobs. More recently, between 2007 and 2008, private sector employment fell by 3% (about 28,000 jobs).

INDICATOR:

GROWTH IN WAGES OVER THE PAST 10 YEARS

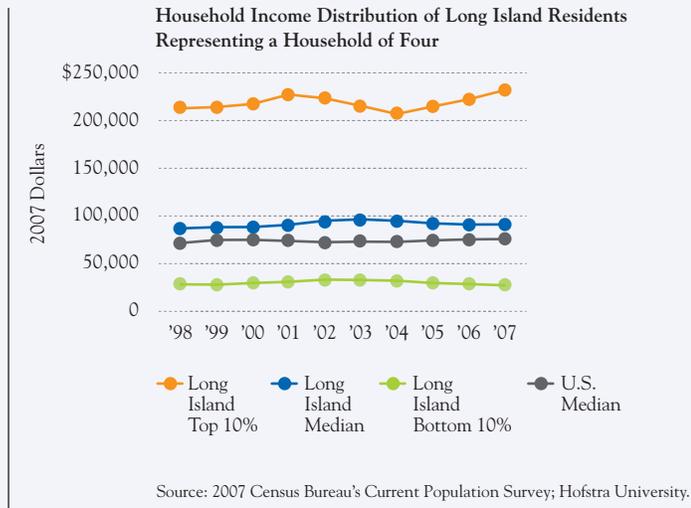
Long Island wages stagnate, while U.S. wages increase.

WHY IS THIS IMPORTANT?

Average pay per employee is a basic measure of the economy's health. Increasing or decreasing inflation-adjusted pay per employee reflects the relative economic vitality of Long Island. It does not, however, assess whether the returns of economic activity are being distributed equally throughout the workforce.

HOW ARE WE DOING?

Average pay per employee on Long Island increased 3% from 1999 to 2007, compared to the U.S. which rose 7%. Between 2007 and 2008 Long Island wages per employee actually fell 5%, while the U.S. figure rose 3%. In constant 2007 dollars, average pay per employee was \$834 lower in 2008 than it was in 1999.



INDICATOR:

HOUSEHOLD INCOME DISTRIBUTION

Household income for the top 10% continues to grow while the middle stagnates and the bottom 10% declines.

WHY IS THIS IMPORTANT?

This measure shows how Long Island's standard of living among households at different income levels has changed from year to year. It tracks the income of a representative four-person household. The chart plots the family-of-four household income of the top 10%, the median and the bottom 10% of the income distribution.

HOW ARE WE DOING?

Looking at the long-term trend from 1998 to 2007:

- Real incomes for households in the bottom 10% actually dropped 4%.

- Real incomes for households at the top 10% rose by 9%.
- Median household income has been relatively stagnant.

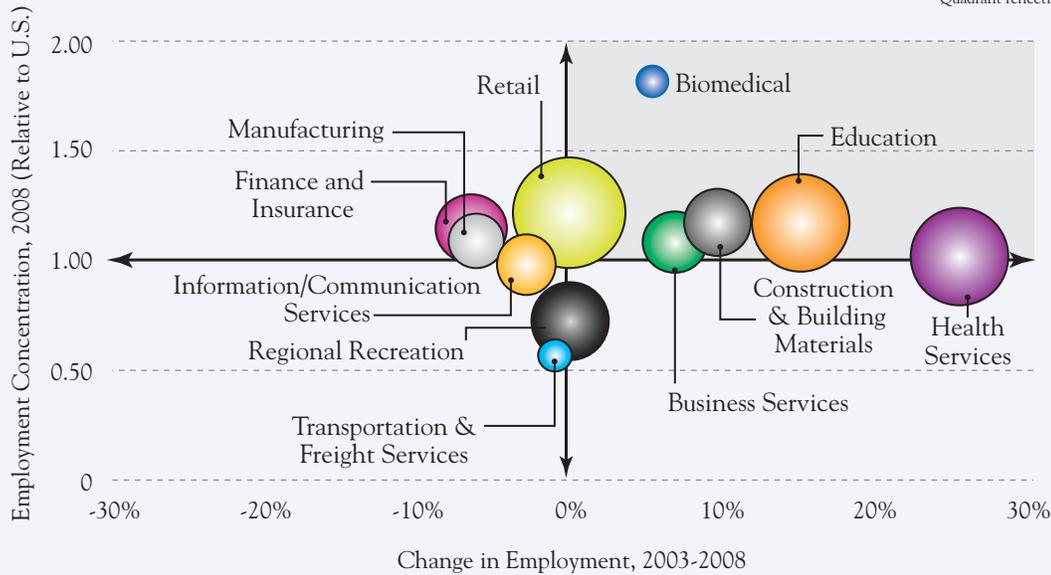
Median household income has declined relatively steadily since 2003. In constant 2007 dollars, the typical household of four earned 6% less in 2007 as compared to 2003.

These patterns indicate a widening of income inequality on Long Island and an increased economic burden on Long Island households.

How to Read This Chart

Higher concentration but decreasing number of employees	Higher concentration and growing number of employees—"BEST" QUADRANT reflecting growth and expansion
Lower concentration and decreasing number of employees—"Worst" Quadrant reflecting decline	Lower concentration but growing number of employees

Major Industrial Clusters in Long Island's Economy, 2008

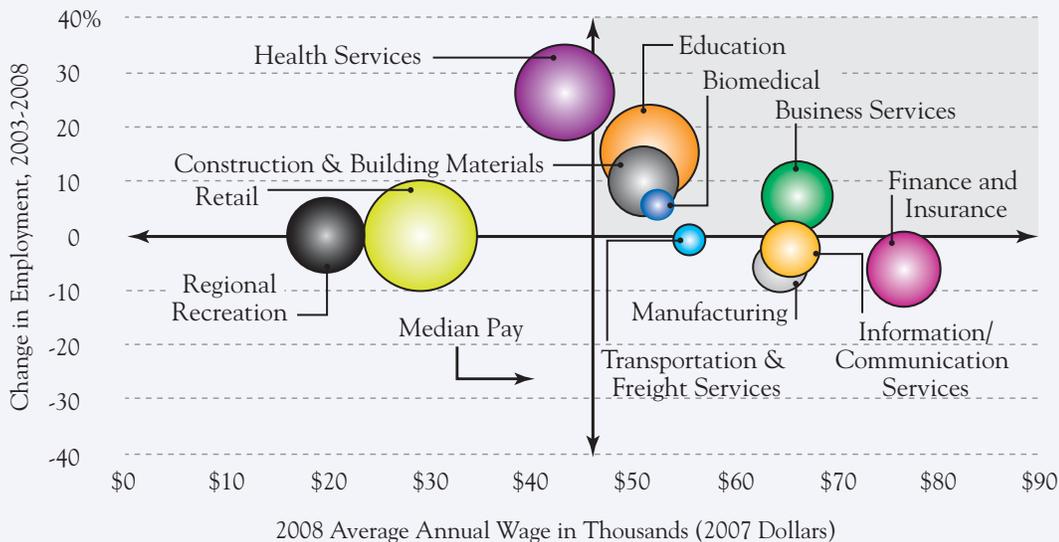


Bubble size represents cluster's employment concentration in Long Island's economy.
Source: Bureau of Labor Statistics; Hofstra University.

How to Read This Chart

Increasing number of employees but lower wages	Increasing number of employees and higher wages—"BEST" QUADRANT reflecting growth and expansion
Declining number of employees and lower wages—"Worst" Quadrant reflecting decline	Declining number of employees but higher wages

Wages, Employment Growth and Employment Concentration by Clusters, Long Island, 2008



Bubble size reflects 2007 employment concentration.
Source: Bureau of Labor Statistics; Hofstra University.

INDICATOR:

INDUSTRY CLUSTERS

Retail, which pays below-average wages, is the most concentrated industrial sector. Health Services and Education, which pay near-average wages, continue to be the sectors with the greatest employment growth.

WHY IS THIS IMPORTANT?

Long Island's industry clusters make up approximately 70% of Long Island's employment base. An industry cluster is a geographic concentration of interdependent firms in related industries and includes a significant number of companies that sell their products and services outside the region.

The first bubble chart illustrates three key dimensions of Long Island's industry cluster:

- The cluster's employment concentration relative to the nation (vertical axis).
 - Employment concentration measures the percentage of employment on Long Island compared to the same cluster, nationally.
 - A concentration greater than one indicates that Long Island has relatively more employment in that sector as compared to the national economy as a whole.
- Change in employment from 2003 to 2008 (horizontal axis).
- Concentration in 2008 (size of circle). Concentration shows the size of the cluster relative to the Long Island economy as a whole.

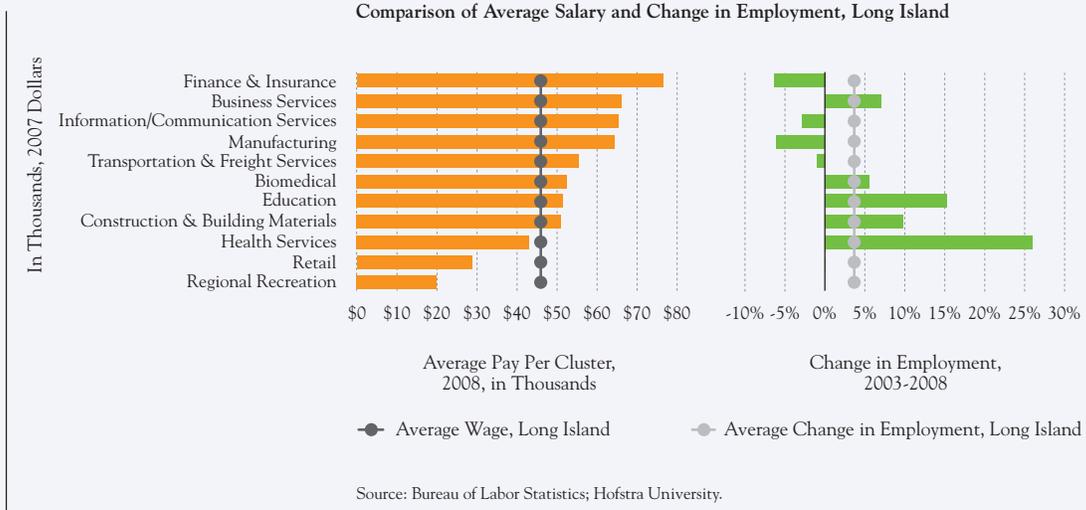
The second bubble chart illustrates key dimensions of Long Island's industry clusters in relationship to wages and employment growth from 2003 to 2008.

On each chart, the upper right hand quadrant represents those clusters with the most positive indicators in concentration and employment (first chart) or employment and wages (second chart).

HOW ARE WE DOING?

Reading the two charts in relationship to each other, a critically important trend becomes apparent. Overall, employment in these strategic clusters is relatively stagnant. We are not growing high wage opportunities; rather, low wage jobs are expanding in our region. Employment opportunities tend to be increasing in sectors of the economy that pay wages close to or somewhat below the median, and declining in those sectors that generally offer higher wages and salaries. How do these bubble charts show us that?

- The first chart shows that the most concentrated cluster relative to the U.S. economy is Biomedical. The least concentrated is Transportation and Freight Services. The second chart indicates that these two clusters are close to the median wage divide. Overall, Long Island's economy reflects a similar pattern to the U.S. as a whole with respect to the relative presence of these clusters.
- The clusters experiencing the greatest employment growth have been Education (15% in the past five years) and Health Services (26%). Both are among the three most concentrated clusters (each representing about 11% of employment). The second chart indicates that both pay close to median level wages.
- For Long Island, those clusters yielding the highest average pay tend to be both the smaller sectors and those that have experienced employment declines between 2003 and 2008 (Information and Communication Services fell 3%, Manufacturing fell 6%, Finance and Insurance fell 6%).



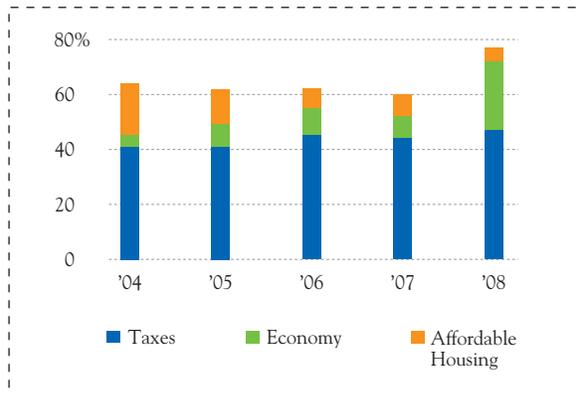
Another way to view this data is to compare the average growth in wages with the average change in employment. Again we see that growth is occurring in those industries where salaries are near the average rather than in the higher paying clusters.



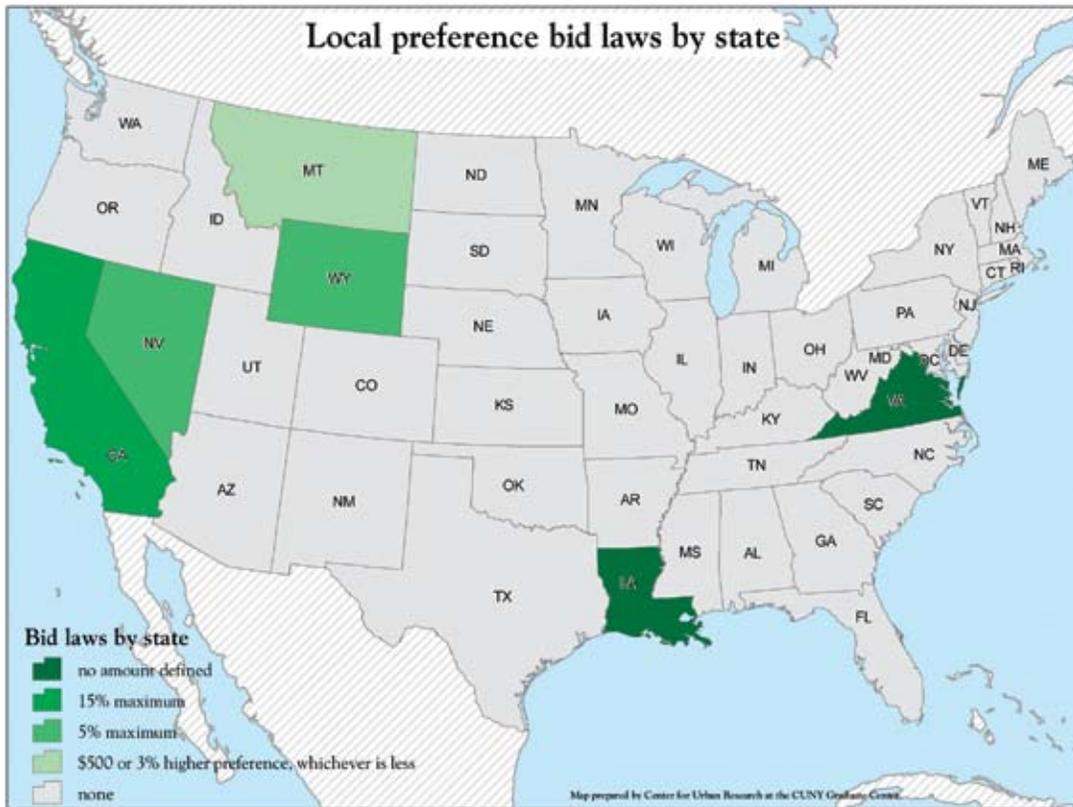
For more information on employment by occupations, see Economy Indicators, at www.longislandindex.org.

What People in the Region Are Saying

Overall, what do you think is the MOST important problem facing residents of Nassau/Suffolk County today?



Local residents have been deeply concerned about high local taxes in all recent Long Island Index polls, but the level of concern about taxes and the economy has risen in response to the bleak national economic outlook.



GOAL #2—SUPPORTIVE BUSINESS ENVIRONMENT

LONG ISLAND PROVIDES A BUSINESS FRIENDLY ENVIRONMENT FOR COMPANIES TO GROW.

INDICATOR:

LOCAL BIDDER PREFERENCE LAWS

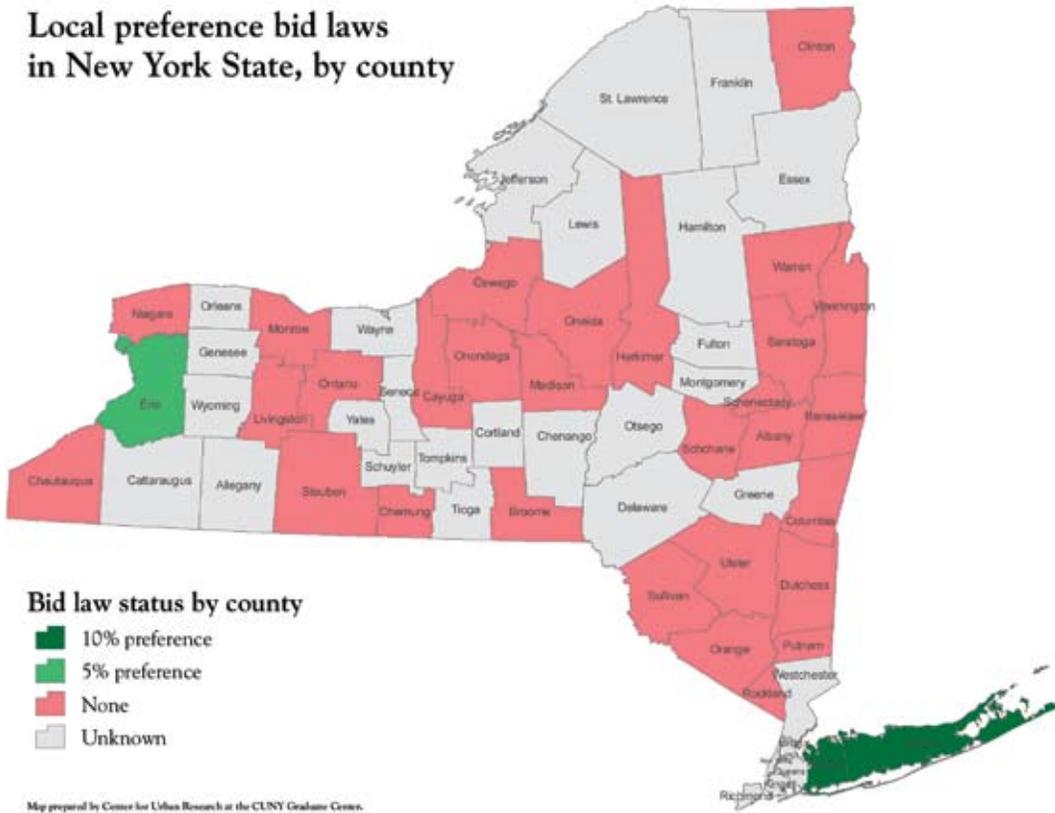
Nassau and Suffolk counties both enacted local laws in the early 1990's which provide a 10% pricing preference to local bidders.

WHY IS THIS IMPORTANT?

The intent of local preference laws is to give local businesses a competitive advantage for winning awards for local government work. However, many companies and governments perceive local preference laws to be anti-competitive. Thus, while local preference laws may benefit specific local companies, these laws also may drive up the costs of goods and services to all taxpayers, which get reflected in the form of higher taxes. For this reason, local preference laws are not widely utilized across the state and country.

HOW ARE WE DOING?

Public Work Projects and Purchase of Goods and Services: Both Nassau and Suffolk have equivalent language stating that the county may award the bid to a bidder “other than the lowest bidder” who “maintains a place of business in or sells supplies, materials or equipment manufactured in the county...or an adjoining municipality and submits a sealed bid not exceeding ten percent more than the other lowest bidder...” These statutes refer specifically to public works projects and purchases of goods and services. In a telephone survey of the 36 most populous counties in New York State (out of a total of 62 counties), only three were found to contain local preference statutes: Nassau and Suffolk counties each have a defined upper limit of 10% for a vendor to receive a preference, and Erie County has an upper limit of 5% and



can only invoke the statute for projects larger than \$100,000.

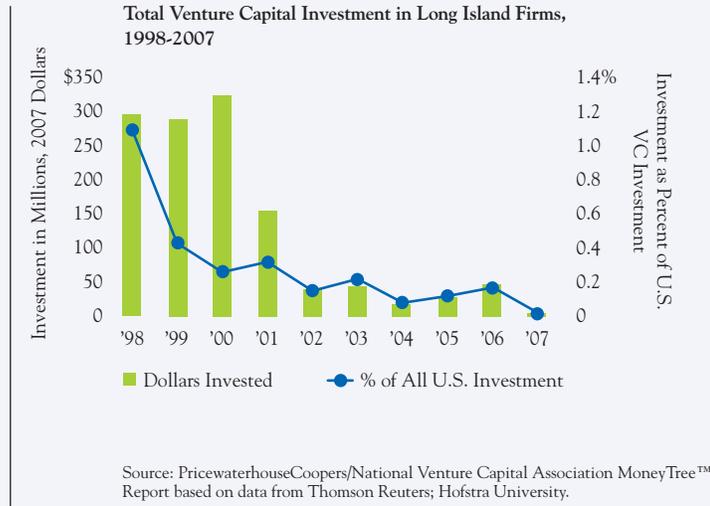
A series of additional phone calls made to other comparable suburban counties—Fairfax, VA, Fairfield, CT, Santa Clara, CA, Bergen, NJ—indicates that none of these regions use local bidder preference laws. Further, a review of state laws using the Lexis-Nexis database found that 43 states do not provide for local preference for state-awarded contracts (New York State is included in this group). Seven states allow local contractors to have preference if they fall within certain guidelines. The rationale for the types of local bidder preferences and the specific preference thresholds vary widely across these states. Percentages vary from 1% to 15% with the most common threshold being in the range of 5%.

Professional Services: Large contracts are also awarded for professional services which are subject to competitive requirements set forth by each local government. In general, the rules for soliciting

proposals and making awards for professional services allow local governments to take into account factors other than price in awarding contracts. Thus, for professional service contracts, localities are allowed to develop their own solicitation and award criteria, which often incorporate either an implicit or explicit local preference. Typically this gives local professional service contractors, including architects and engineers, a competitive advantage over outside companies. Since pricing is typically only one of the criteria considered in a professional services contract award process, a specific local preference price advantage threshold is not required, nor does it appear to be commonly described in law. Hence, it is not possible to measure the impact of local vendor preferences on these types of services.



For more information on local bidder preference laws, see Economy Indicators, at www.longislandindex.org.



GOAL #3—INNOVATIVE ECONOMY

OUR ECONOMY INCUBATES, SUPPORTS AND RETAINS COMPANIES.

INDICATOR:

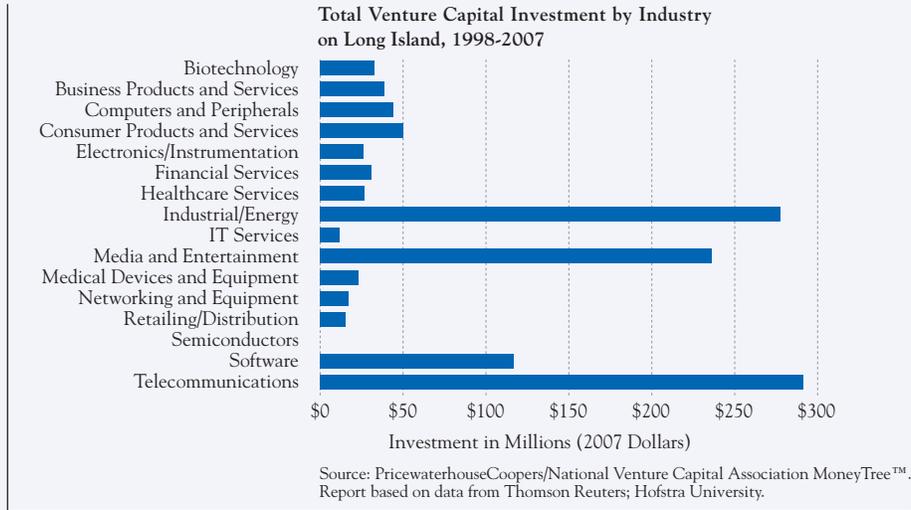
VENTURE CAPITAL FINANCING

Long Island’s venture capital investment sunk to its lowest level in more than ten years.

WHY IS THIS IMPORTANT?

New venture capital investment is an indicator of innovation and dynamism within the economy. Venture capitalists generally seek to invest in new enterprises that have a potential for strong growth.

Typically, only firms with potential for exceptionally high rates of growth over a 5- to 10-year period will attract venture capital. Thus, a high rate of venture capitalist investment suggests a changing and dynamic economy with relatively new enterprises entering the scene. A lower rate of venture capitalist investment suggests a less dynamic mix of economic enterprises in the regional economy.

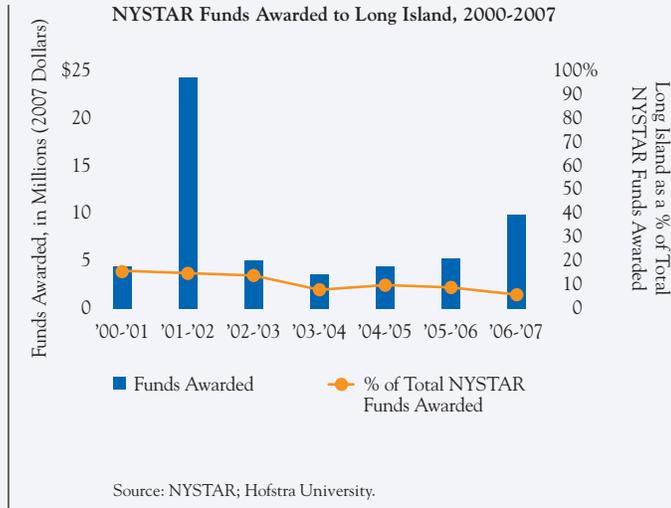


HOW ARE WE DOING?

Since 2002, venture capitalist investment in Long Island firms has ranged between a high of \$47 million and a low of \$5 million in 2007 dollars. As a percentage of total venture capital investment in U.S. firms, there was a slight increase over the three years prior to 2007 (from .08% to .17% of total U.S. investment). However, venture capital investment fell 89% between 2006

and 2007 (from \$47 million down to \$5 million). As a percent of total U.S. investment, the 2007 amount represented only .02%.

The four industries receiving the largest investments over the past ten years are Telecommunications, Industrial/Energy, Media and Entertainment, and Software.



INDICATOR:

RESEARCH AND DEVELOPMENT INVESTMENT

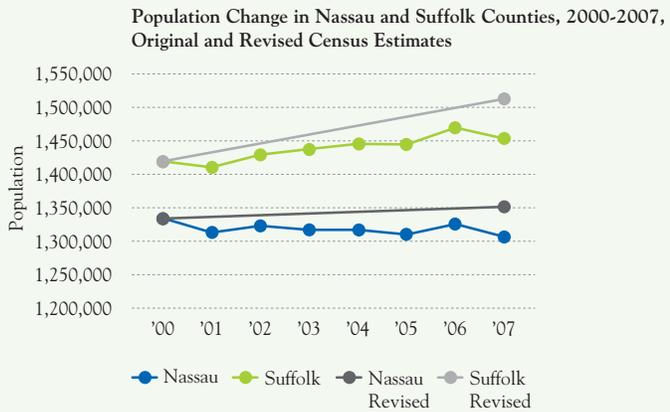
Long Island’s funding from NYS increased last year but it was a smaller share of the overall available funds.

WHY IS THIS IMPORTANT?

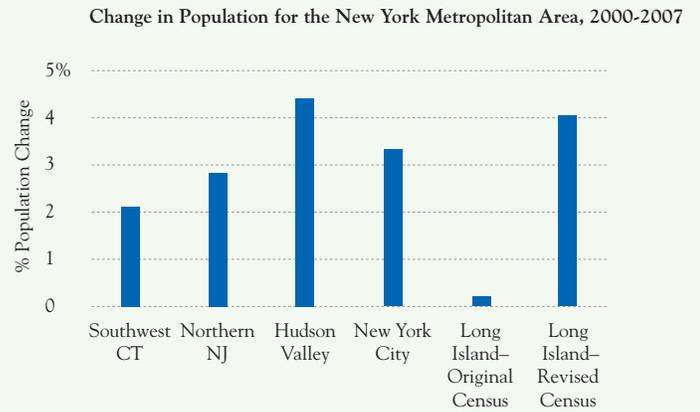
R&D (Research and Development) investment in Long Island’s universities, labs and private sector helps to drive regional innovation. R&D dollars support the development of technologies that create economic benefits for the regions in which they are developed and for the nation as a whole.

HOW ARE WE DOING?

New York State provides funds to firms through the NYSTAR program of the New York State Foundation for Science, Technology and Innovative Leadership. In 2006–07, Long Island firms received almost \$10 million in NYSTAR funding. That represents an 88% increase in funding dollars from the prior year. However, that dollar amount was actually a smaller percentage of total state funding than in prior years. Between 2000 and 2006, Long Island averaged 12% of total state funding under the NYSTAR program. In 2007, the percentage fell to about 6%.



Source: 2000 U.S. Census of Population, 2001-2007 American Community Survey; data compiled by RPA.



Source: 2000 U.S. Census of Population, 2001-2007 American Community Survey; data compiled by RPA.

HOW ARE WE DOING?

With a recent challenge to U.S. Census counts by Nassau and Suffolk Counties, the modest growth estimated by the Census for Long Island from 2000 to 2007 has been revised substantially upward. The Census uses a model to estimate the components of population change which includes data on natural increase (births over deaths) plus net migration (internal and international) using local health records, data on migration from the Internal Revenue Service and other sources. In challenging the Census counts, the Counties cited population figures gathered independently by the Long Island Power Authority (LIPA). Since 1998, LIPA has been estimating its own population counts, building from Census figures and updating the counts based on the utility records of active electric meters. Each year, LIPA's figures are reviewed and adjusted to reflect any demographic change they detect. LIPA's estimates also factor in local trends towards various types of housing—including apartments, condos, senior housing and persons in group quarters (health facilities, jails and dormitories). LIPA data was used to calculate the new population estimates for 2007 accepted by the U.S. Census Bureau, and were slightly higher than the LIPA figures. Estimates for prior years will also be calculated.

The differences between the two methods are apparent when reviewing the changes in population since 2000. Under the previous estimates, Nassau's population declined by 28,000 between 2000 and 2007 while Suffolk's grew by 34,000. Under the revisions, Nassau has grown by 19,000 people and Suffolk has grown by 92,000.

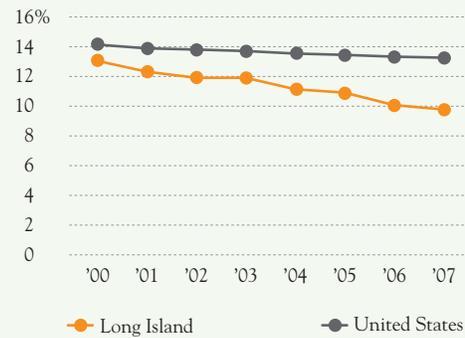
The discrepancies in population counts present two different pictures of Long Island in the region over the last seven years. Comparing areas whose population was calculated using different methods can lead to misleading comparisons, but the differences between Long Island and other parts of the region change substantially using the two different sets of assumptions. Using the original Census estimates, Long Island appears to be approaching 0% population growth between 2000 and 2007. Compared to the rest of the region, which is growing at rates ranging from around 2% in southwest Connecticut to nearly 4.5% in the Hudson Valley, Long Island appears to be an outlier amongst its urban and suburban neighbors. Using the revised Census figures, Long Island is amongst the strongest in growth since 2000 with a 4% increase in population, placing it above New York City's 3.3% growth.

Share of Population by Age, U.S. and Long Island, 2000 and 2007



Source: 2000 U.S. Census of Population, 2007 American Community Survey; data compiled by RPA.

Percent of Population Aged 25-34, U.S. and Long Island



Source: 2000 U.S. Census of Population, 2001-2007 American Community Survey; data compiled by RPA.

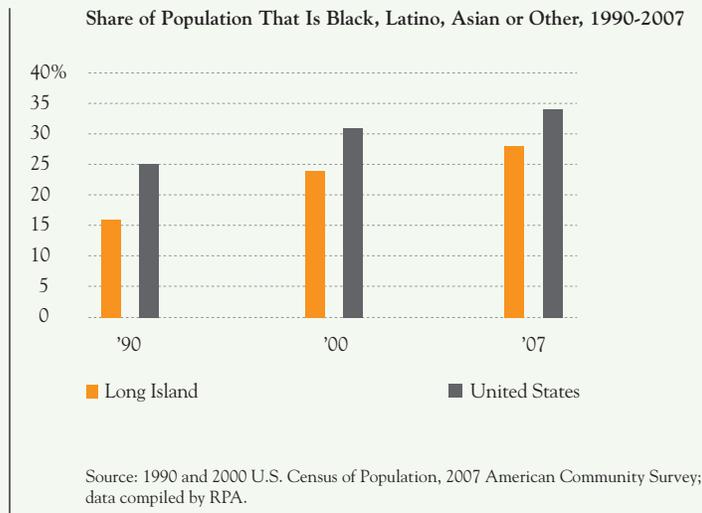
All of the following population measures, it should be noted, use pre-Challenge Census data for analysis, and should therefore be used with caution. However, it is likely that the shares of Long Island population for the different age, race and ethnic groups shown below are likely to change far less than the overall size of the population. Future reports will incorporate recalculated Census data.

AGE DISTRIBUTION

Compared to national trends, Long Island’s population is experiencing growth at higher rates for those 55 and over. While this share of the population is not the largest—those 35 to 54 are—the entry of Baby Boomers into this cohort have increased its population by 3.3% since 2000 compared to the national average of 2.3%. The next generation of 35–54 year olds is well-represented on Long Island, and has experienced changes consistent with the national trend. Younger adults—those aged 20–34—have decreased by nearly 2%—more than the national average decline of 1%.

The trend is even more dramatic when narrowing down this group to those aged 25–34. Tracking the growth of this age group, it is evident that its

downward trend is well outside of the national average—which has also decreased due to lower birth rates in the 1970’s. Nationally, 25–34 year olds comprised nearly 14% of the population in 2007. For the same year on Long Island, that number was just under 10%. The most precipitous drop in 25–34 year olds has taken place since 2003, when this age group represented 12% of the population. Long Island’s increasing lack of affordable housing, limits on employment opportunities and a shortage of vibrant downtowns that attract this age group may help to explain Long Island’s “brain drain.”

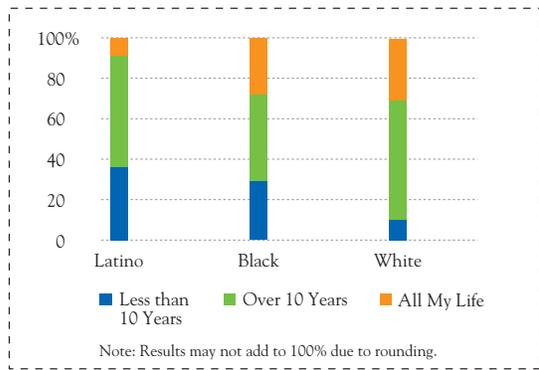


RACE AND ETHNICITY

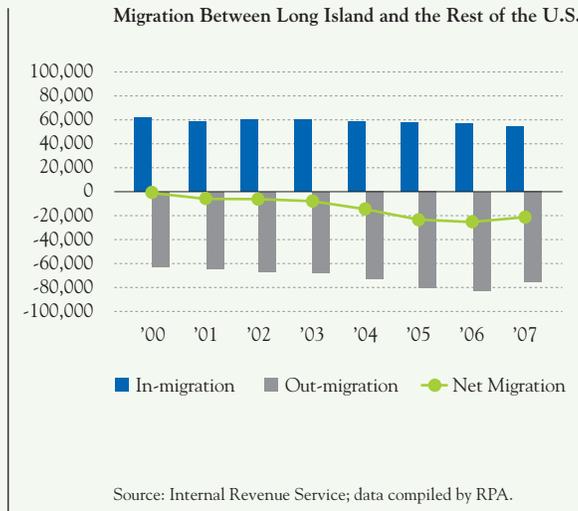
Race and ethnicity generally change gradually, and Long Island's profile in 2007 was little different than in 2006. A slight increase in the Latino population was balanced by a slight decrease in the White population.

Over the long term, Long Island continues to become more racially and culturally diverse. Since 1990, the White population has declined from 84% to 72%. Latinos are both the largest and most rapidly growing ethnic population, having increased from 6% to nearly 13% in the last decade and a half. Asians have also increased rapidly, more than doubling in population from 2.3% to 5%. The Black population has increased only modestly since 1990, growing from 7% to 9%. These trends reflect both national and regional trends, in terms of the general trend toward greater diversity and in the rapid growth of Latinos and Asians specifically.

What People in the Region Are Saying
How long have you lived in Nassau/Suffolk County?



Almost 80% of Blacks and Latinos interviewed for our poll are long-term residents of Long Island.



MIGRATION

Both the number of people leaving and moving to Long Island declined slightly in 2007 following several years of increasing net out-migration. In 2007, there were 21,000 more Long Islanders who left than those who arrived from other parts of the United States. This is a modest improvement from 2005 and 2006, when there was a net out-flow of 23,000 and 25,000 people. These statistics do not include foreign immigration, for which there is no reliable annual data.

New York City is still the location from which the largest number of people moved to Long Island, though this number has declined almost another 2% since last year. At the same time, the number of people moving from Long Island to Manhattan, Queens and other parts of the city continued to increase by another percentage point over last year. This movement has continued to be fueled by the substantial growth of new housing in the five boroughs compared to Nassau and Suffolk.

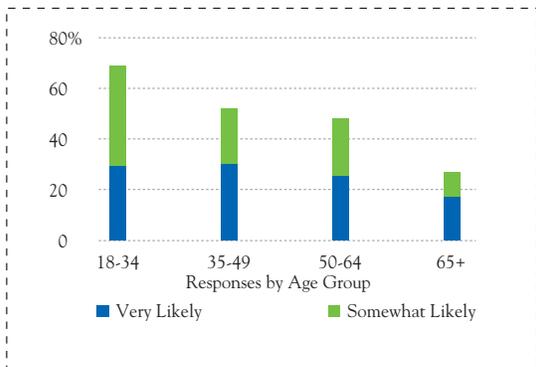
For those Long Islanders not remaining in the tri-state area, the most likely destinations continue to be Florida, North Carolina, Pennsylvania, Georgia, and California. Much of the migration to these often sunnier or lower tax states can be attributed to either retirees or those taking advantage of the higher housing prices that were still abundant on Long Island in 2007.

Movement between Nassau and Suffolk Counties was also significant. Nearly 11,000 residents moved from Nassau to Suffolk County in 2007, which is about 5,000 more residents than moved from Suffolk to Nassau. This reflects the greater abundance of new development and more affordable housing further from the border of New York City.



For information on charitable organizations, see Communities Indicators, at www.longislandindex.org.

What People in the Region Are Saying
How likely is it that you will move out of Nassau/Suffolk County to an area with lower housing costs and property taxes in the next five years?



The desire to leave Long Island remains most common among younger people, aged 18-34, 67% of whom say they are somewhat or very likely to leave in the next five years.

INDICATOR:

LONG ISLAND'S DOWNTOWNS

Long Island's downtowns have maintained similar vacancy rates as last year but as the changes on Wall Street begin to filter down, this next year will be critical to watch.

WHY IS THIS IMPORTANT?

There are more than 100 downtowns in Nassau and Suffolk counties. These centers are not only important as places to work, live and shop, they also help define the character of surrounding communities and provide places to meet and interact. Downtowns can also promote walking and transit use. With less open space left for new development, downtowns provide the potential for Long Island to consider adding new housing, stores and offices.

HOW ARE WE DOING?

For the last two years, the *Long Island Index* has conducted a survey of downtowns, selected to represent a diverse range of places of various size across the Island. Thirty downtowns were surveyed in 2008, an increase of seven over the 23 places surveyed in 2007. The current survey was completed as Wall Street was beginning an historic decline and the question remains, how will this be felt on Main Street? As of September–October 2008 when the survey was conducted, the national financial decline was not apparent here. Overall vacancy rates are on par with previous years and new construction was continuing. The question is how Main Street will fare as the national economic pictures evolves, what will these rates look like a year from now?

Long Island's Downtowns

Downtown	Storefronts		Retail vs. Service		Vacancy Rate		Number of New Construction Sites in the Downtown	Banks	
	Number	Per 100 People	% Retail	% Service	2008 Rates	Change from 2007		Number in Downtown	People/Bank
Babylon	169	2.7	65%	35%	3%	1%	0	4	1,591
Bay Shore	195	3.0	53%	47%	21%	2%	3	2	3,211
Brentwood	46	0.9	27%	73%	2%	N/A	1	1	5,267
Cedarhurst	188	4.9	72%	28%	7%	(3)%	2	6	640
Copiapue	47	1.3	51%	49%	4%	N/A	0	0	—
Farmingdale	120	1.9	54%	46%	10%	N/A	0	2	3,146
Freeport	221	2.1	61%	39%	7%	0%	1	2	5,356
Glen Cove	143	4.5	54%	46%	11%	N/A	0	3	1,065
Great Neck	475	2.7	60%	40%	11%	3%	2	19	938
Greenport	125	6.1	83%	17%	8%	2%	0	2	1,024
Hempstead Village	371	2.4	56%	44%	7%	(1)%	1	7	2,189
Hicksville	200	3.9	46%	54%	6%	(1)%	0	3	1,697
Huntington	358	7.3	71%	29%	7%	1%	7	10	490
Huntington Station	145	1.5	46%	54%	8%	(3)%	2	1	9,820
Islip	75	1.6	54%	46%	5%	(1)%	0	2	2,322
Long Beach	214	1.0	54%	46%	4%	(1)%	5	9	2,467
Lynbrook	119	5.4	59%	41%	6%	N/A	3	4	549
Mineola	114	2.1	49%	51%	7%	(1)%	2	3	1,798
Oyster Bay	119	5.9	55%	45%	10%	N/A	0	2	1,003
Patchogue	151	2.0	61%	39%	15%	(1)%	2	3	2,480
Port Jefferson	170	4.6	65%	35%	5%	(2)%	2	3	1,225
Port Jefferson Station	70	1.8	49%	51%	19%	9%	0	2	1,903
Riverhead	146	2.6	49%	51%	26%	7%	1	3	1,871
Rockville Centre	304	5.8	55%	45%	5%	1%	1	11	476
Roosevelt	91	1.2	45%	55%	8%	0%	1	1	7,382
Sayville	121	4.1	60%	40%	4%	(2)%	2	2	1,472
Smithtown	150	3.1	59%	41%	9%	6%	0	7	695
Southampton	243	10.4	75%	25%	9%	3%	0	5	466
Valley Stream	157	10.3	46%	54%	16%	N/A	1	2	764
Westbury	185	3.8	41%	59%	5%	(2)%	1	3	1,637
Average			56%	44%	9%	1%			

Source: Research by Rauch Foundation, September-October 2008; data analyzed by RPA.

NUMBER AND OCCUPANCY OF STOREFRONTS

The number of storefronts per person indicates the amount of retail and service options available to residents, workers and visitors. The overwhelming majority of downtowns have between 100–300 storefronts. When adjusted for population, the average downtown had 3 storefronts per 100 people. These ranged from Southampton and Valley Stream, with over 10 storefronts per 100 people who lived in the downtown, to places like Long Beach and Brentwood which had less than one storefront per 100 people. This does not necessarily mean that these places are underserved, since the size and diversity of establishments are also important, but they do show that some places have far more options relative to their population.

The number of vacancies is one indication of the health and vibrancy of these downtowns as commercial centers. Storefront vacancy rates refer to the percentage of downtown storefronts that are vacant at the time of surveying. Lower vacancy rates indicate that a downtown has a healthier economy while a high vacancy rate is a sign that businesses have left or are not attracted to a downtown. The lower the vacancy rate, the more likely that a resident or visitor will find the retail or service opportunity they are looking for in their downtown, and the more it will convey a sense of stability and community health.

The average storefront vacancy rate of our 30 field-surveyed downtowns was 9%. For the 23 downtowns field-surveyed last year, the rate is also 9%, an increase of 1% over last year's 8% vacancy rate. Those downtowns with the largest increases include Smithtown, Port Jefferson Station and Riverhead where vacancy increased by about 6, 7 and 9% respectively. Those downtowns with improved vacancy rates include Sayville, Cedarhurst and Huntington Station where improvements

were around 2–3%. Brentwood, Babylon and Long Beach have the lowest vacancy rates of our surveyed downtowns, each under 5%.

DOWNTOWN CONSTRUCTION

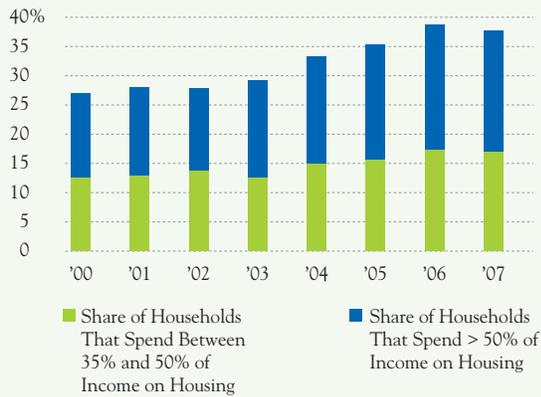
Construction projects—be they major renovations or new construction—in a downtown area, indicate new investment in housing, jobs and/or services. Some construction is to be expected over time even in stable communities, simply to replace or upgrade obsolete buildings or accommodate normal rates of turnover. High rates of construction indicate more rapid change or growth. Cumulatively, tracking downtown construction is one indication of how much Long Islanders are changing their perception of downtowns as a place to live, work and shop.

Of our 30 field-surveyed downtowns, 11 had no construction and eight had only one construction project underway at the time of survey. Huntington and Long Beach had at least five projects occurring in their downtown area. These projects ranged from refurbishing storefronts to the development of new multi-unit housing. On the whole, this appears to indicate a relatively low level of construction and redevelopment.

BANKS PER PERSON

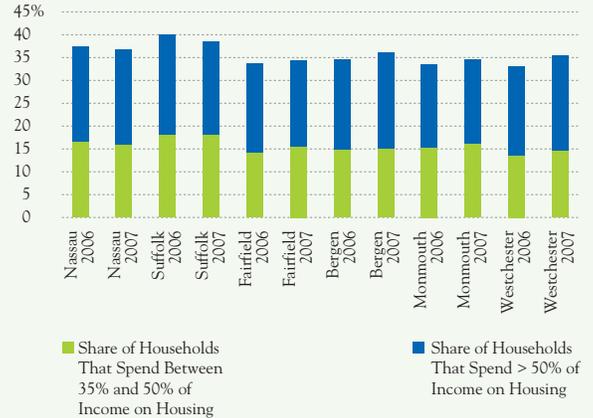
Services vary one downtown to another. Recently there had been a significant increase in the number of banks coming to Long Island so the *Index* measured how many retail bank establishments were available in each downtown. On average, there is one bank for every 4,500 people living in a downtown. This covers a wide range, from less than 1,000 people per bank in places like Southampton and Rockville Center, to nearly 10,000 people per bank in Huntington Station.

Share of Households with a High Housing Cost Burden, Long Island, 2000-2007



Source: 2000 U.S. Census of Population, 2001-2007 American Community Survey; data compiled by RPA.

Share of Households with a High Housing Cost Burden, Metropolitan New York Area, 2006 and 2007



Source: 2006-2007 American Community Survey; data compiled by RPA.



GOAL #5—AFFORDABLE HOMES

WE GENERATE HOUSING OPTIONS THAT ARE AFFORDABLE TO PEOPLE OF ALL AGES AND INCOME LEVELS.

INDICATOR:

HOUSING AFFORDABILITY

Rising housing cost burdens leveled off in 2007 and home sale prices started to decline in 2008. New building permits declined to its lowest point in three decades.

WHY IS THIS IMPORTANT?

As housing costs represent a large share of the household budget on Long Island, housing affordability is an issue for everyone.

From one perspective, rising housing costs are a sign that Long Island continues to be a place where people desire to live. However, higher housing costs deplete the quality of life for the many families struggling with rent and house payments and make it difficult for employers to recruit and retain workers. Overtime, the limited supply of lower cost housing can change the cultural, demographic and economic character of the region. Increasing housing cost burdens make it harder for longtime

residents to stay, and for the adult children of residents to start their families in the region.

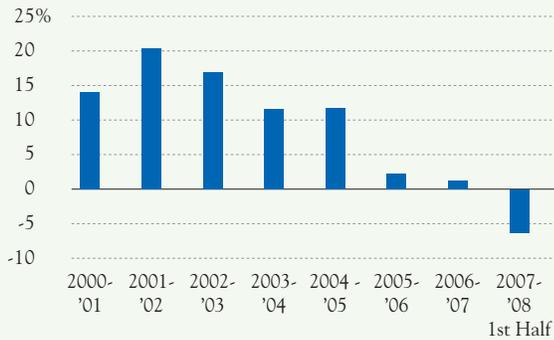
HOW ARE WE DOING?

The collapse of the U.S. housing market in 2008 has clearly begun to affect Long Island. Following more than a decade of rapid growth, sales prices on Long Island declined in the first six months of 2008. However, the long run-up in housing prices has created a large disparity between housing costs and income.

HIGH HOUSING COST BURDEN

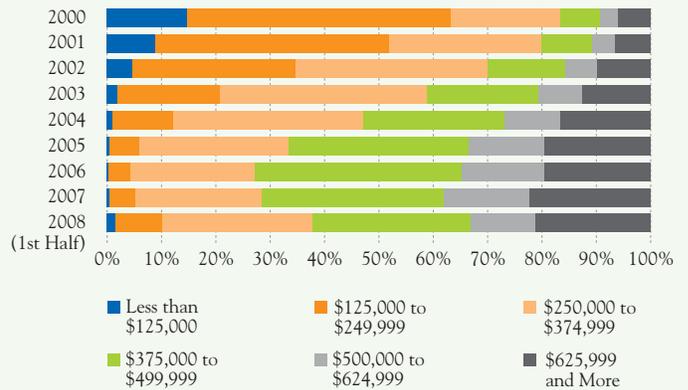
The share of households who spend more than 35% of their income on housing on Long Island increased from 27% in 2000 to 38% in 2007. The share of U.S. households with such a high housing cost burden was only 29% in 2007. Suffolk County in particular experienced a sharp jump, with the number of households in this category increasing 12 percentage points. In Nassau, where the housing cost burden has been slightly higher for most of the past six years, the share increased 10 percentage points. Although there was a slight decrease this past year, housing cost burden is still much higher than it was earlier in the decade and it continues to be higher than our neighboring suburban regions.

Percent Change in Median Housing Sales Price, Long Island, 2000-2008 (1st Half)



Source: Long Island Real Estate Report; data compiled by RPA.

Share of Homes Sold, by Price Bracket, 2000-2008 (1st Half)



Source: Long Island Real Estate Report; data compiled by RPA.

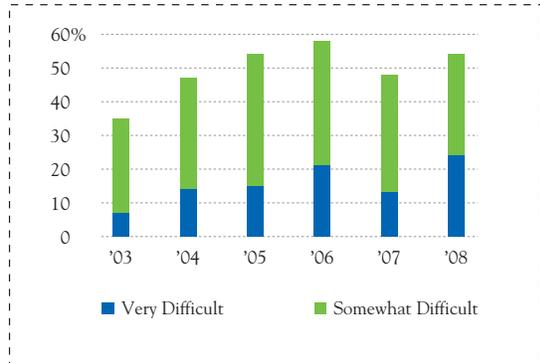
HOME SALES PRICES

Following several consecutive years of double-digit increases, home sale prices have leveled off since 2005, and even decreased in the first half of 2008, by 6.3%. The median sales price of a home in the first half of 2008 was \$417,000, down from \$445,000 in 2007 but still almost as high as in 2005 (\$430,000).

Even with this moderation, however, the escalation in home values and prices since 2000 remains striking. In 2000, the share of homes that sold for less than \$250,000 was 63%—by 2008, that share was 10%. Similarly, the share of homes that sold for more than \$500,000 was 9% in 2000 but more than three times that in 2008 (33%).

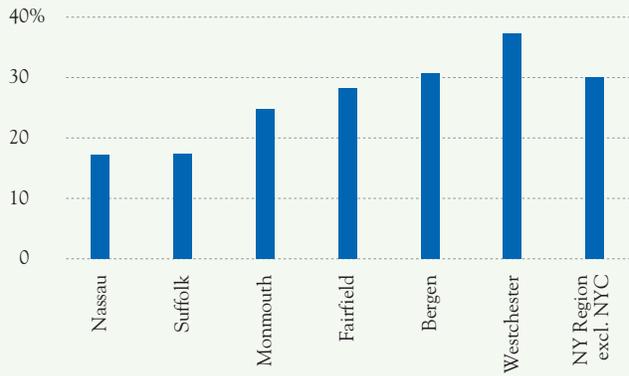
What People in the Region Are Saying

In an average month, how difficult is it for you and your family living with you to pay the rent or mortgage?



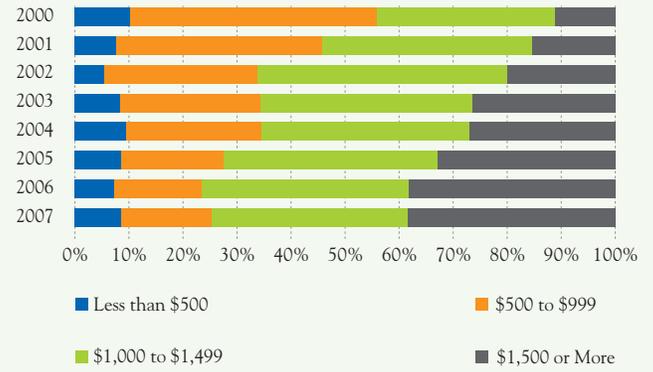
Over half (54%) of all Long Islanders continue to report that it is somewhat or very difficult to meet their monthly rent or mortgage payments.

Share of All Housing Units That Are Renter-Occupied on Long Island and Surrounding Regions, 2007



Source: 2007 American Community Survey; data compiled by RPA.

Gross Monthly Rents on Long Island, 2000-2007



Source: 2000 U.S. Census of Population, 2001-2007 American Community Survey; data compiled by RPA.

RENTS

Rental units, whether single-family homes rented by the owner or apartments in multi-family buildings, constitute less than 1 in 5 homes on Long Island. The share of units that are rented in the New York region excluding New York City is almost twice Long Island's share.

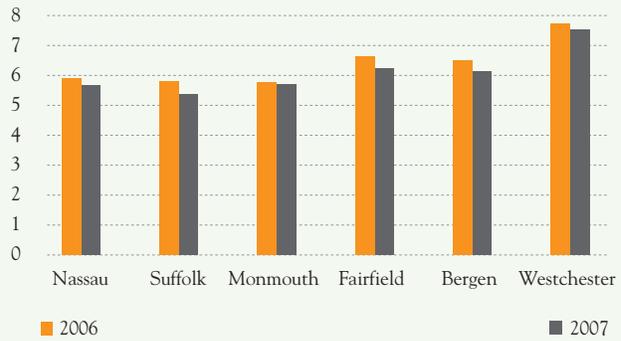
After many years of steadily rising prices, rents on Long Island leveled off in 2007—most likely the sign of the overall cooling off of the real estate market, not a reduction in long-term demand for rental housing. Rents are still expensive, however, with nearly 4 in 10 rentals costing more than \$1,500 a month (only 12% of rentals were in that price range in 2000).

Change in Median Household Incomes and Median Value of Owner-Occupied Units, Metropolitan New York Area, 2000-2007



Source: 2000 U.S. Census of Population, 2001-2007 American Community Survey; data compiled by RPA.

Ratio of Median Value of Owner-Occupied Units to Median Household Incomes



Source: 2006-2007 American Community Survey; data compiled by RPA.

HOME VALUES COMPARED TO HOUSEHOLD INCOMES

From 2000 to 2007, household incomes on Long Island increased by 26% while home values shot up 124%. This trend is apparent throughout the larger New York region though it is most pronounced in Nassau and particularly Suffolk Counties.

Stabilized home values, along with rising household incomes, have slightly improved the ratio of home value to income from 2006 to 2007 on Long Island, as they have in the New York region (excluding New York City). Yet this ratio is still more than twice the conventional rule of thumb, which is that a household's house value should be 2.5 times its income.

WHAT'S GETTING BUILT?

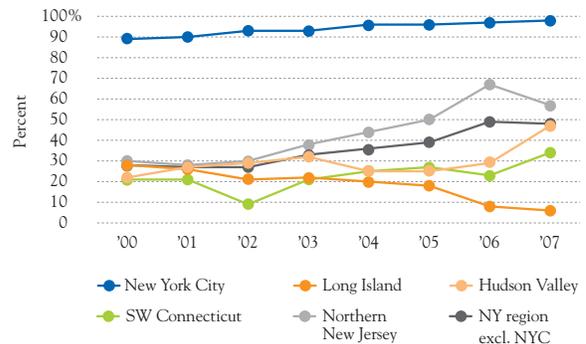
The number of building permits issued on Long Island in 2007 was lower than at any other point in the last three decades. Much of Long Island was built up following World War II and both the shrinking availability of land for new residential subdivisions and the weakening housing market appear to have contributed to the decline.

Long Island has also been producing significantly lower shares of multi-family units as it continued on its downward trajectory of building multi-family housing. Every other part of the tri-state region

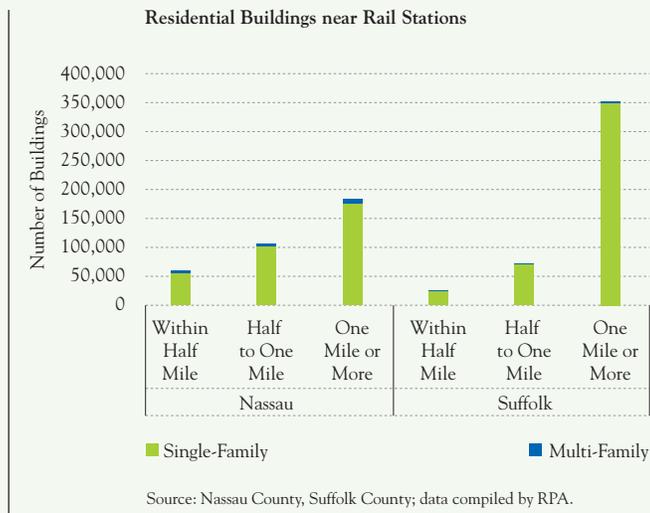
has seen strong increases in the number of multi-family units built since 2000, but on Long Island the share of multi-family units built decreased more than four-fold, from 28% to only 6% in 2007. This 6% share contrasts with the 48% share in the New York region, excluding New York City.

Many of the problems associated with housing on Long Island—including its high cost and lack of rental units—can be traced to low rates of housing production, and particularly low rates of multi-family units production.

Share of All Building Permits Issued for Multi-Family Housing, Long Island and Surrounding Region, 2000-2007



Source: 2000 U.S. Census of Population, 2007 American Community Survey; data compiled by RPA.



INDICATOR:

HOUSING NEAR RAIL STATIONS

Few Long Islanders live within walking distance of rail stations.

WHY IS THIS IMPORTANT?

Housing in close proximity to transit can offer a number of environmental benefits, mainly tied to the reduced dependence of residents on automobiles, which impacts air quality and climate change. Communities near transit—particularly rail stations—are often more compact and walkable, offering greater options in housing, retail and employment. In addition, the train system can offer access to regional employment centers, like Manhattan, and other destinations such as regional retail and entertainment centers.

HOW ARE WE DOING?

Only 11% of Long Island residential buildings are located within a half-mile of a Long Island Rail Road (LIRR) station, a distance frequently used by planners as a distance that people are generally willing to walk to transit. Two-thirds of residential buildings are more than a mile from a rail station, meaning that for many, train stations are more than a short car ride away. Multi-family buildings are more likely to be located near rail stations—27% are within a half-mile, but 47% are located more than a mile from transit. Since multi-family buildings have more housing units than single-family buildings, the number of units near transit is higher than 11%. However, since 82% of Long Islanders live in single family homes, the percentage living near transit is still relatively small.

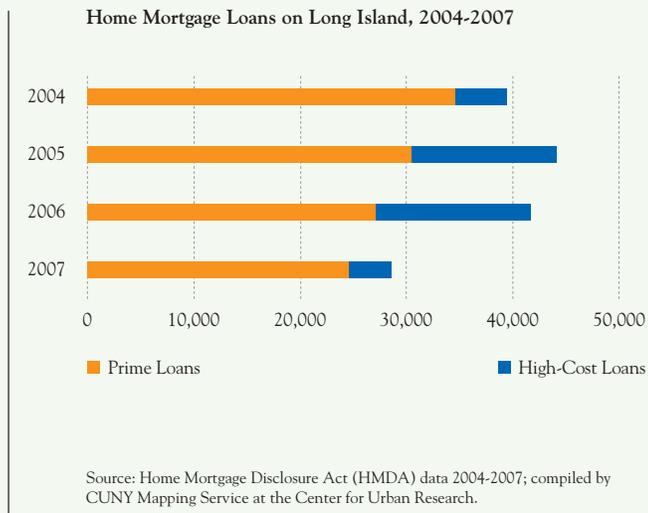
County (Train Line)	Area (Square Miles)	Population Density (Population/Square Mile)	Number of Commuter Rail Stations	% of Population within .5 Mile of Station
Connecticut (Metro-North)				
Fairfield, Connecticut	626	1,410	27	8%
New Haven, Connecticut	606	1,361	8	2%
Hudson Valley, NY (Metro-North)				
Dutchess, New York	802	350	11	3%
Orange, New York	816	418	7	1%
Putnam, New York	231	414	6	2%
Rockland, New York	174	1,646	5	6%
Westchester, New York	433	2,134	43	22%
Long Island (LIRR)				
Nassau, New York	287	4,655	65	19%
Suffolk, New York	912	1,556	37	6%

Source: 2000 U.S. Census of Population; data compiled by RPA.

In Nassau County, 48% of the buildings are within a mile from a rail station; in Suffolk County, it is 22%. The differing development pattern of these two counties explains these disparities. More of Nassau County was developed earlier and around the rail stations of the LIRR. Much of Suffolk County developed later, when the automobile was the major means of transportation.

Using 2000 Census population data, we can also compare Nassau and Suffolk to counties served by Metro-North. Although this data is not completely comparable to the 2007 data for residential buildings, it shows some interesting findings. These shares are determined by a number of factors—the amount of rail service, the county’s overall density and concentrations near the stations. In other words, counties with higher population densities and larger numbers of rail stations (Nassau and Westchester) also have the highest percentage of population within a half-mile of stations, while those counties with low population density and scarce rail stations (Orange, Putnam, Dutchess and New Haven) have very low percentages.

Westchester and Nassau Counties have by far the highest percentages of population living within a half-mile of a rail station. They also have the highest number of rail stations and the greatest population densities. However, Westchester County—where 22% of its residents lived within a half-mile—has a higher share than Nassau’s 19% even though it has fewer stations and a lower population density. Much of Westchester’s population is clustered in cities around the rail station while much of the northern county remains sparsely populated. Suffolk has almost as many rail stations as Westchester, but is over twice the land area and has only 6% of its population near transit. The Metro-North counties most comparable in terms of people living near transit are Rockland County (6%) and Connecticut’s Fairfield County (8%), even though both of these have fewer train stations and lower densities than Suffolk County.



INDICATOR:

HOME MORTGAGE TRENDS

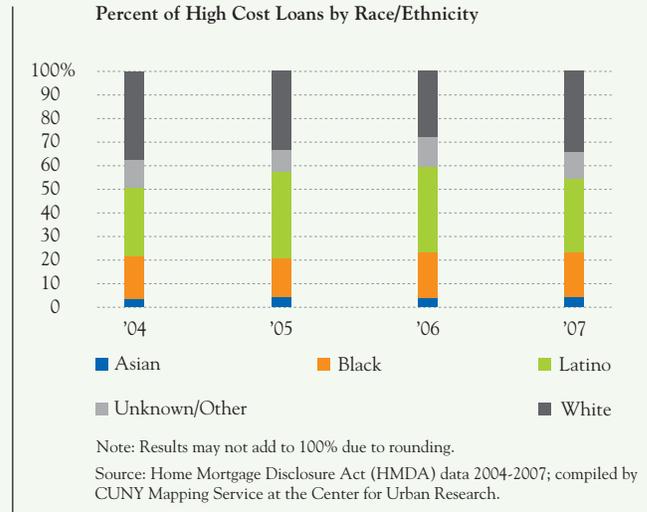
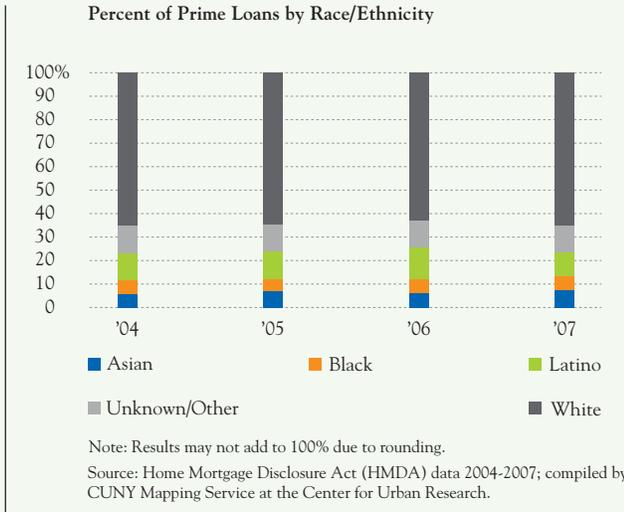
High-cost loans account for 24% of all mortgages on Long Island between 2004 and 2007.

WHY IS THIS IMPORTANT?

Despite high home prices, high housing costs and anemic new construction on Long Island, homes continued to sell at record levels through 2006 and did not drop off until mid-2007. In part the expansion of the real estate market was due to a national trend to make credit more easily available. In some cases mortgages were made possible to prospective home buyers who did not meet the traditional credit thresholds by offering higher than usual interest rates, referred to as “subprime loans.” Learning who received these loans and how many were made are critical facts to understanding which communities are most at risk of losing their homes through foreclosure.

HOW ARE WE DOING?

High-cost loans are defined as those which exceed the federal Treasury rate by three percentage points or more for a Treasury security of comparable maturity. Subprime loans are those loans where the recipient is considered a higher risk of potential default due to a lower credit score. While not all high-cost loans are subprime, the relationship is consistent enough that many housing researchers now use high-cost as a proxy for subprime. Based on data collected under the federal Home Mortgage Disclosure Act (HMDA), high-cost loans on Long Island rose from 12% of all mortgages in 2004 (the first year for which data is available) to 35% of all mortgages just two years later. In fact, during the four year period from 2004 to 2007, high-cost loans accounted for 24% of all mortgages on Long Island.



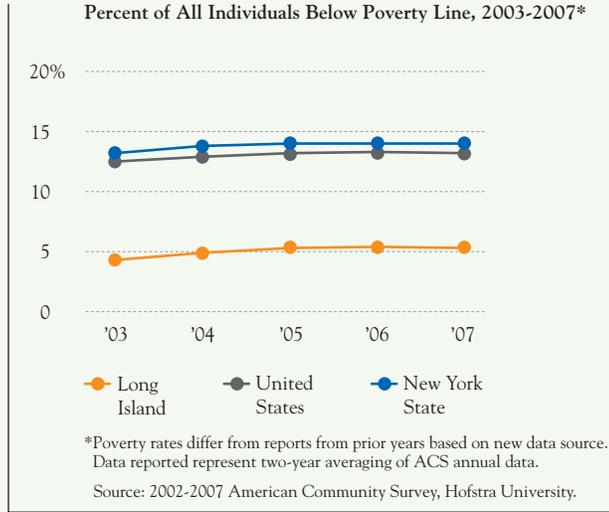
The subprime market did help to diversify Long Island's housing market with an influx of non-White home buyers. From 2004 to 2006 there was a steady and substantial increase in the number of Black and Latino homebuyers coupled with a decrease in White homebuyers. However, the loans that the majority of Blacks and Latinos were obtaining fell into the high-cost category. The percentages across race/ethnicity categories of prime loans were relatively consistent throughout this period. But the proportion of high-cost loans purchased by Whites was relatively small to begin with (less than 40% in 2004) and fell to less than 30% in 2006. The percent of high-cost loans to Blacks, Latinos, and Asians grew from 50% to almost 60% in the same time.

As the economy weakens and the terms of many of the high-cost loans are resetting, recent evidence from the Federal Reserve Bank of New York and the U.S. Department of Housing and Urban Development indicate that Long Island's communities of color are at greatest risk of foreclosures. In an August 2008 study based on the Federal data, by Empire Justice Center on the impact of foreclosures on the Black community in particular, they found that in Nassau County, Black homeowners are four times more likely to live in the most impacted ZIP codes than White homeowners. In Suffolk County, Black homeowners are three times more likely to live in the most impacted ZIP codes than White homeowners. Similar statistics for Latino homeowners were not available.



For more information on home mortgage trends, see Communities Indicators, at www.longislandindex.org.

Percent of All Individuals Below Poverty Line, 2003-2007*



GOAL #6—SAFETY NET

WE ASSURE THAT PEOPLE ARE PROVIDED WITH BASIC NECESSITIES SUCH AS FOOD AND SHELTER.

INDICATOR:

POVERTY

Poverty rates increase.

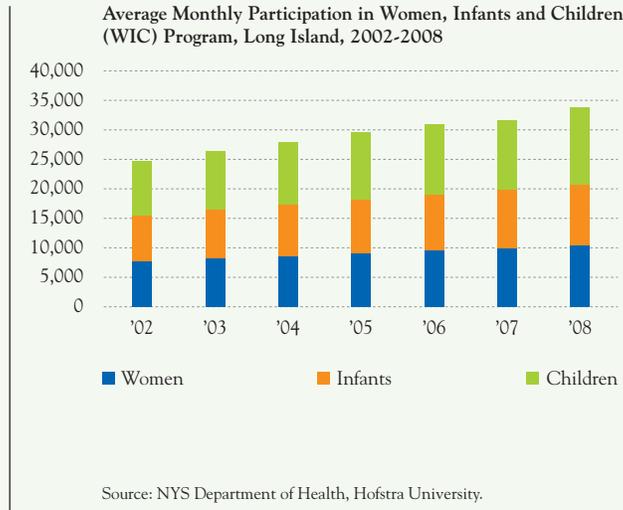
WHY IS THIS IMPORTANT?

For both individuals and for families, the experience of economic hardship places greater strains on the quality of life in many aspects. The ability to obtain adequate shelter, nutrition, clothing and education are directly tied to one's economic situation.

HOW ARE WE DOING?

Long Island has lower rates of poverty than exist in New York State and nationally. In 2007, the poverty rate for individuals on Long Island was 5.3%. This compares with a NYS rate of 14% and a national rate of 13.2%. The poverty rate for children under 18 was somewhat higher. In 2007, 6.3% of Long Island children were in poverty.

The trend between 2003 and 2007 is toward increasing poverty. There was a 22% increase in poverty through that period.



INDICATOR:

HUNGER

Reliance on Food Stamps and other food supplement programs continue to increase.

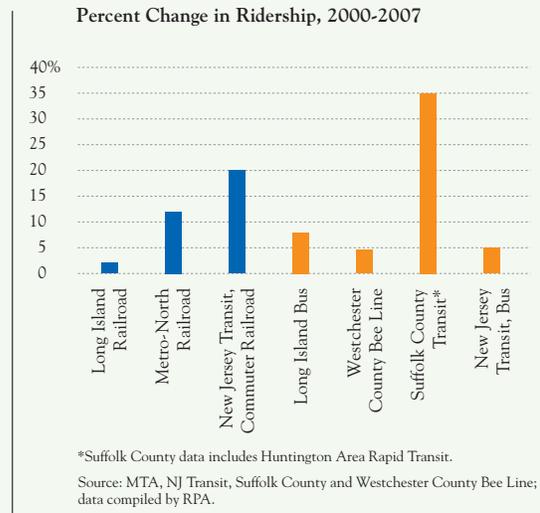
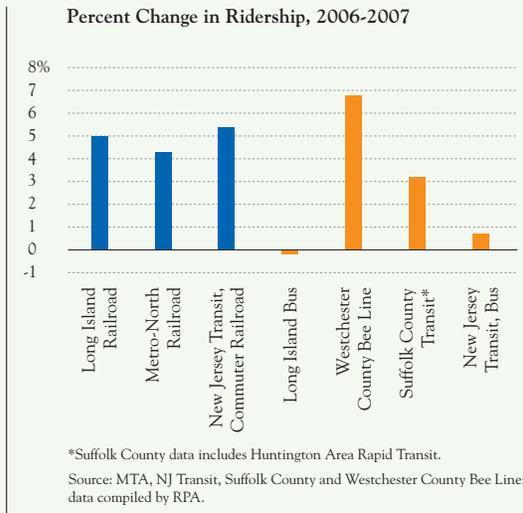
WHY IS THIS IMPORTANT?

The existence of a growing population of people without reliable access to adequate nutritious food is a major national concern. The Food Stamp Program is a nationally funded program that gives low-income families secure access to nutritious foods. Most food stamp recipients are children and the elderly. The *Special Supplemental Nutrition Program for Women, Infants and Children (WIC)* serves low-income (185% of the official poverty level) pregnant, postpartum and breastfeeding women, and infants and children up to age 5 who are at nutrition risk.

HOW ARE WE DOING?

On Long Island, there was a 33% increase in the number of households receiving food stamps between 2002 and 2007 but the figures were generally stable between 2006 and 2007.

The number of WIC recipients increased 37% between 2002 and 2007. There were 7% more WIC recipients in 2007 than in 2006. The percentage of children under 5 years of age receiving WIC increased 41% between 2002 and 2008. Over 13% of Long Island's children under the age of 5 are enrolled in the WIC program.



GOAL #7—TRANSPORTATION

WE INCREASE MOBILITY BY INVESTING IN AN INTEGRATED, REGIONAL TRANSPORTATION SYSTEM AND BY ENCOURAGING CREATIVE PROBLEM SOLVING TO FIND TRANSPORTATION ALTERNATIVES.

INDICATOR:

TRANSIT RIDERSHIP

The Long Island Rail Road saw an increase in ridership in 2007 but growth still lags other rail systems in the larger New York region.

WHY IS THIS IMPORTANT?

Increased transit ridership helps reduce traffic congestion by taking motor vehicles off the road. An efficient transit system can provide quicker access to jobs, reduce air pollution and help to improve the overall livability of our communities.

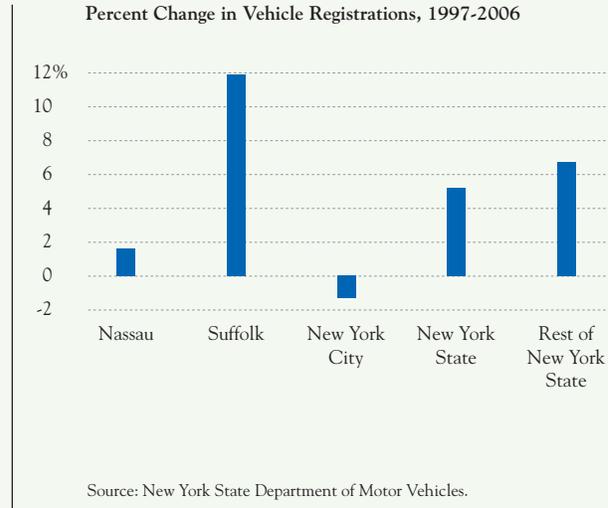
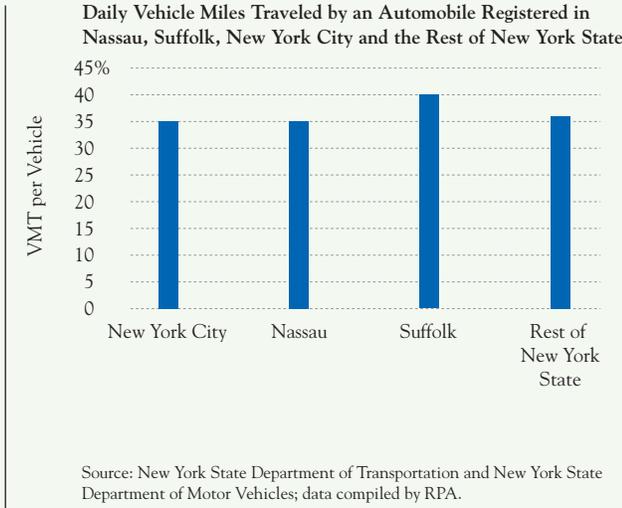
HOW ARE WE DOING?

In 2007, the Long Island Rail Road experienced one of its largest gains in ridership in recent years, growing 5% over 2006. There are likely multiple reasons for increased ridership, including a growing economy in 2007, increasing gas prices, service

improvements and growing highway congestion that gives people a greater incentive to use transit. Bus ridership, by contrast, leveled off after several years of strong growth in both Nassau and Suffolk.

Since 2000, the Long Island Rail Road has grown more slowly than other commuter rail systems in the New York region. Its 2% growth from 2000–2007 compares to 12% for Metro-North and 20% for New Jersey Transit. Some of this is the result of faster population growth in their service areas. However, both Metro-North and New Jersey Transit have added services including Metro-North’s third track and New Jersey’s increased commuter trains, while the LIRR has not.

The Long Island Bus, which has experienced an 8% gain in ridership since 2000, has grown significantly more than the LIRR. Suffolk County Transit has grown by 35% over the same time period, a much more robust growth than other commuter bus systems in the region. This is due in part to population growth in Suffolk and in part to services that were added earlier in the decade. Many of these bus services provide a connection from local neighborhoods to LIRR stations and/or provide limited north/south intra-island mobility for Long Islanders.



INDICATOR:

VEHICLE MILES TRAVELED

Long Islanders are driving more, and currently drive 35–40 miles per day for each vehicle they own.

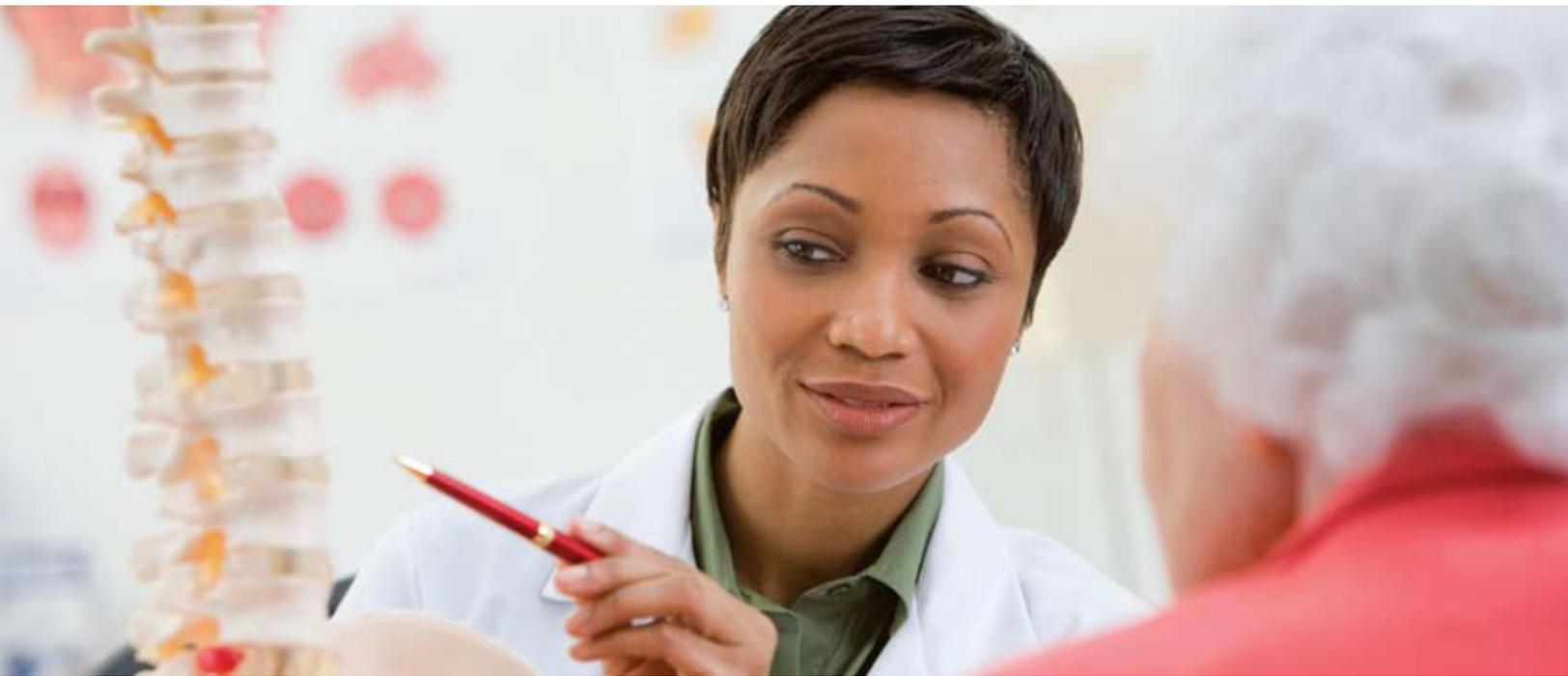
WHY IS THIS IMPORTANT?

The number of miles traveled by cars, trucks and other motor vehicles is a major factor in determining the amount of congestion on our roads and highways. The more we drive, the more crowded our roadways become, leading to lost work time and productivity and higher air pollution.

HOW ARE WE DOING?

The average person in Nassau travels 35 miles per day for each vehicle he or she owns, compared to 40 miles per day in Suffolk. Nassau is on par with New York City; Suffolk is only slightly higher than the average for the rest of New York State. Presumably, the higher number for Suffolk County is because there are longer distances between downtowns, job centers and other destinations than in Nassau, and because transit is less available.

From 1997 to 2006 the number of vehicles grew by 12% in Suffolk but only 2% in Nassau. From this data we can infer that the number of miles traveled increased substantially in Suffolk but only modestly in Nassau. This does not necessarily mean that congestion has grown more in Suffolk than in Nassau. Nassau is already densely settled, and a small increase in auto use can result in a disproportionate increase in congestion. On the whole, the data indicate that an increasing number of cars on the road have added to highway congestion over the last decade. With limited road capacity and high levels of existing congestion, any future increases could have a disproportionate affect on time spent in traffic. By comparison, the number of vehicles declined in New York City and grew by 7% in the rest of New York State during the same period. A large increase in subway and bus ridership in New York City may help explain the decline in auto ownership during this period.



Health



GOAL #8—HEALTHY PEOPLE

ALL PEOPLE HAVE ACCESS TO QUALITY AFFORDABLE HEALTH CARE THAT FOCUSES ON DISEASE AND ILLNESS PREVENTION.

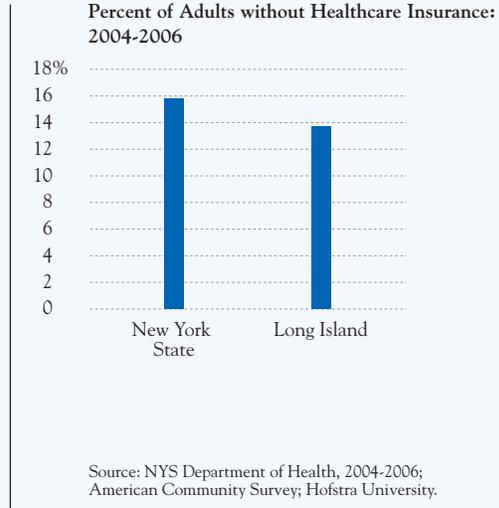
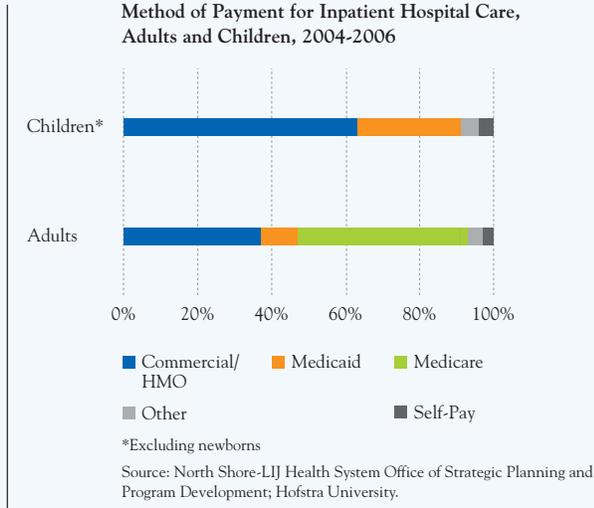
INDICATOR:

PAYING FOR HOSPITAL CARE

Health care coverage is unavailable for almost 15% of Long Islanders.

WHY IS THIS IMPORTANT?

Health care costs are a major factor in almost every household budget. Costs associated with a single hospital stay may quickly wipe out savings and move people into debt. Thus, having some reliable and comfortable way of covering major medical costs is an important element in preserving our quality of life.



HOW ARE WE DOING?

For the period between 2004 and 2006, about 14% of adults on Long Island did not have any health care coverage at all compared to 16% for New York State as a whole. During that same period, about 4% of adult residents of Long Island report that they did not receive health care treatment because they could not afford it (compared to 7.5% for the state as a whole).

When looking at hospitalizations, the combination of Medicare (46%) and commercial insurance/HMO plans (37%) continues to provide health care coverage for most adults on Long Island. With respect to pediatric hospitalizations, 64% were covered by commercial insurance/HMO plans, and 28% were covered by Medicaid.





Education



GOAL #9—EDUCATIONAL READINESS

ALL STUDENTS ARE PREPARED TO LEARN AT EACH STAGE OF THE EDUCATIONAL PIPELINE.

INDICATOR:

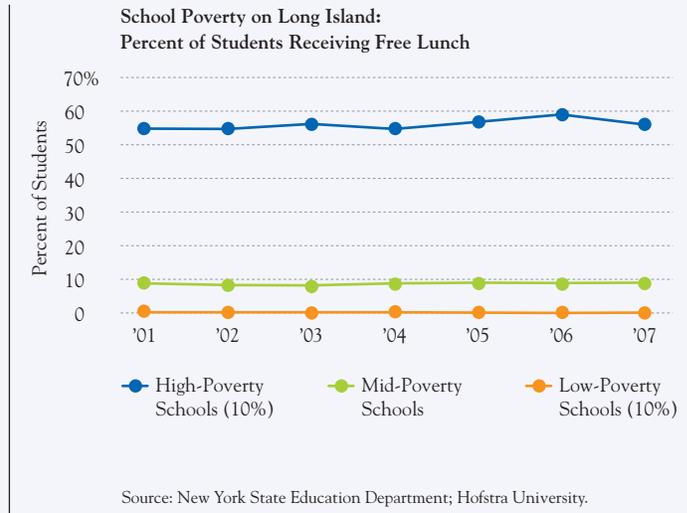
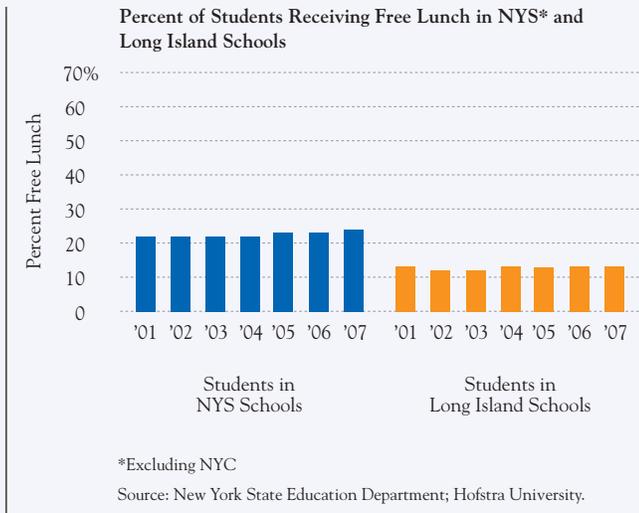
POVERTY INDEX

While overall poverty levels on Long Island are low, there are areas where at least 50% of the children receive free lunch.

WHY IS THIS IMPORTANT?

Scholarly research shows that poverty is the most significant factor in determining how a child will perform in school. A child's own family income is central, but it is not the whole story. The socioeconomic status of the community in which a child lives and goes to school is also important. Concentrated poverty—where many families in a certain area are poor—is far more disadvantageous than individual poverty alone.

A common measure of school poverty is the percentage of students in a school who are federally defined as eligible for free lunch. Using *percent free lunch*, schools can be thought of as “high” and “low.” In “high-poverty schools,” many students receive free lunch and thus poverty is highly concentrated. In “low-poverty schools,” few students receive free lunch.



HOW ARE WE DOING?

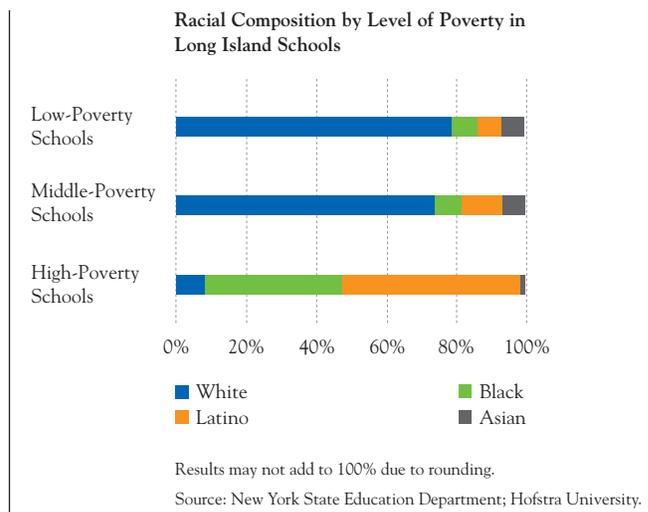
In 2007, 13% of students in Long Island schools received free lunch. This rate has stayed constant since 2004. The trend for New York State is more dramatic with state schools averaging 24% free lunch in 2007.

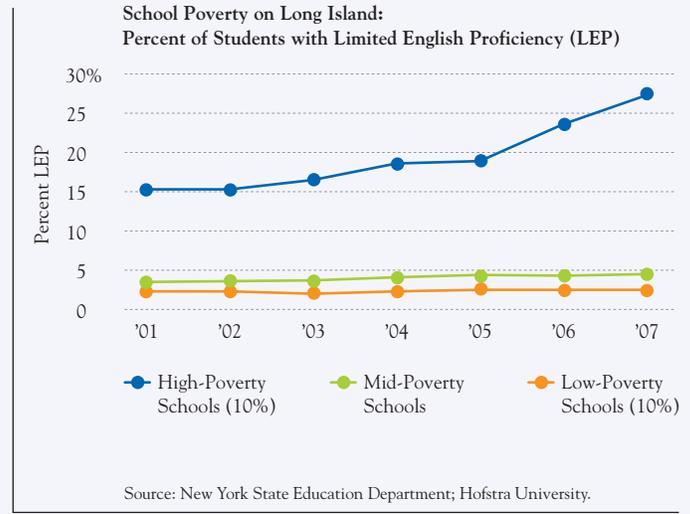
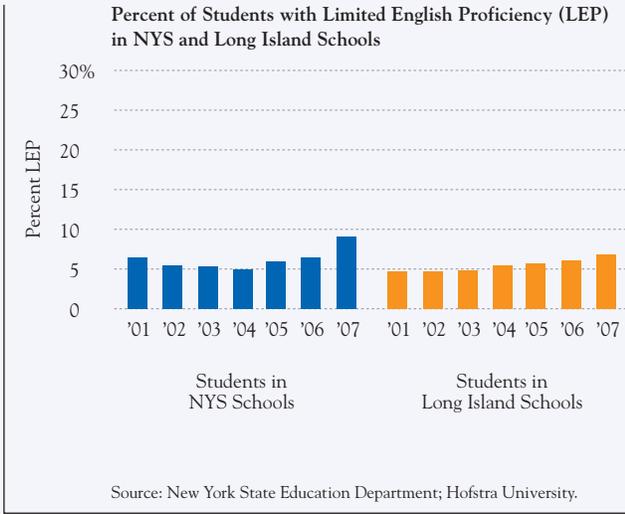
On Long Island, the concentration of poverty is extreme. In 2007, the 10% of schools classified as “high-poverty” schools had 56% of their students receiving free lunch, “middle-poverty” schools (80% of all schools) averaged about 9% of students qualifying for free lunch, and the 10% of schools classified as “low-poverty” had almost no students qualify for free lunch (.13%). Since 2001, the profound separation of school children by income levels has continued unabated in this period.

RACE, ETHNICITY AND EDUCATION

Historically, racial and ethnic groups in the United States, particularly Blacks and Latinos, are over-represented among the poor. The cumulative impact of economic and racial segregation means that these populations are also over-represented in schools impacted by poverty. This creates a cycle in which those who need quality education most to raise their future socioeconomic statuses tend to go to schools that have highly concentrated poverty. On Long Island, Black and Latino

students are much more likely to attend a high-poverty school (defined as 10% of schools with the highest proportion of students receiving free lunch) than either White or Asian students. 89% of students in high-poverty schools are either Black or Latino. In contrast, in low-poverty schools, only 14% of students are either Black or Latino.





INDICATOR:

PERCENT OF STUDENTS WITH LIMITED ENGLISH PROFICIENCY (LEP)

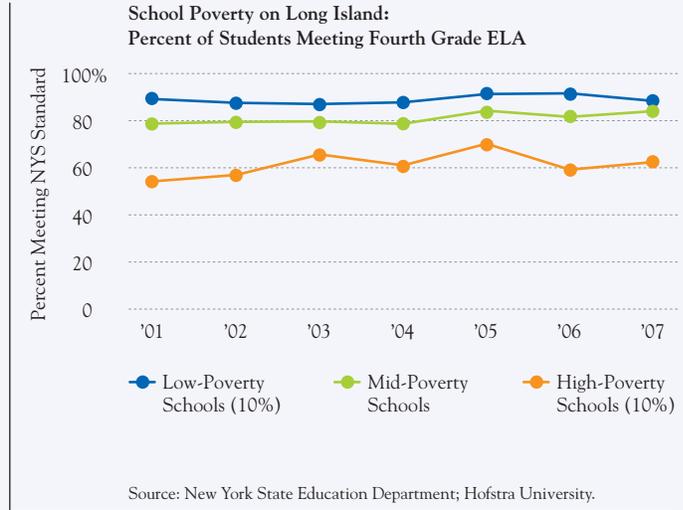
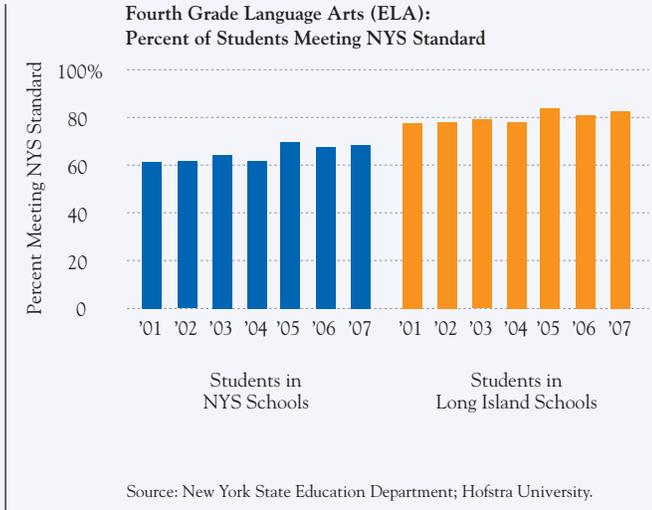
One out of four students in high-poverty schools has limited English proficiency.

WHY IS THIS IMPORTANT?

Not all children experience economic and social conditions that allow them to perform their best in our public school system. Like poverty, Limited English Proficiency (LEP) is an indicator of students at risk of performing poorly in school. It also reflects Long Island's changing population and the resulting increase in disparity across schools and districts.

HOW ARE WE DOING?

Overall, Long Island as well as New York State schools are experiencing steady growth in the number of LEP students. The year 2007 represents the seven-year high of the students having limited English proficiency. On Long Island, however, the number of LEP students has remained constant in the low-poverty and middle-poverty schools. It is the high-poverty schools that are bearing the overwhelming responsibility. In 2001, one in seven students was LEP in these schools; in 2007, the numbers increased to one in four. As a result of the concentration of students requiring additional resources in a small number of school districts, the challenge for these districts is high, both financially and educationally.



INDICATOR:

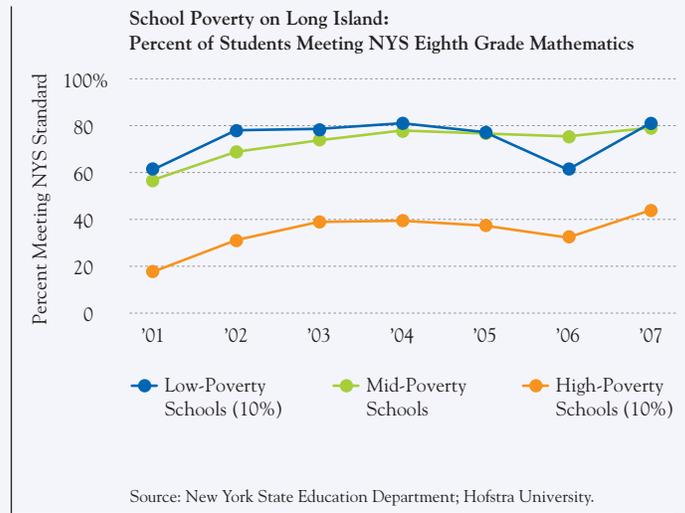
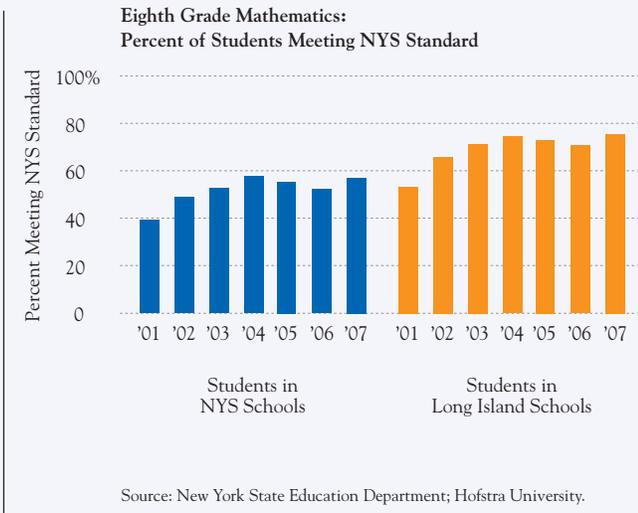
PERFORMANCE TESTS

Overall Long Island schools’ outperform New York State. But the gap between low-poverty and high-poverty schools remains consistent.

WHY IS THIS IMPORTANT?

According to the NYS Education Department, the Grade 4 English Language Arts (ELA) exam and the Grade 8 Mathematics exam reflect benchmarks that identify those students who are on target to pass, and those who may have difficulty passing, the English and Mathematics Regents Exams when they reach high school. These are part of the requirements for graduating with NYS’ Regents Diploma.





HOW ARE WE DOING?

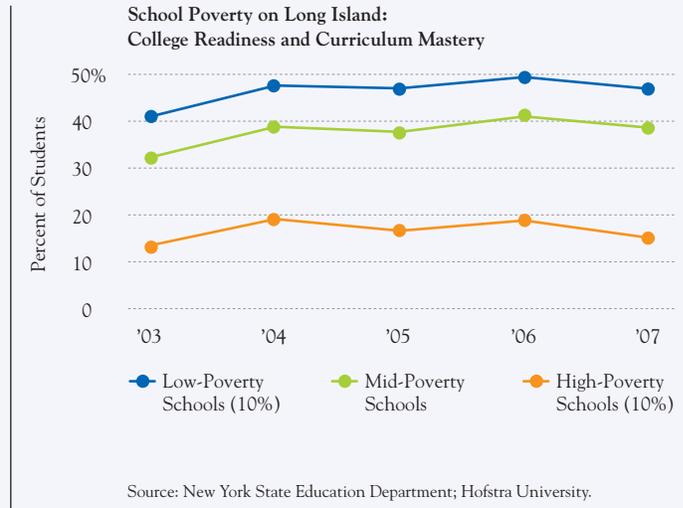
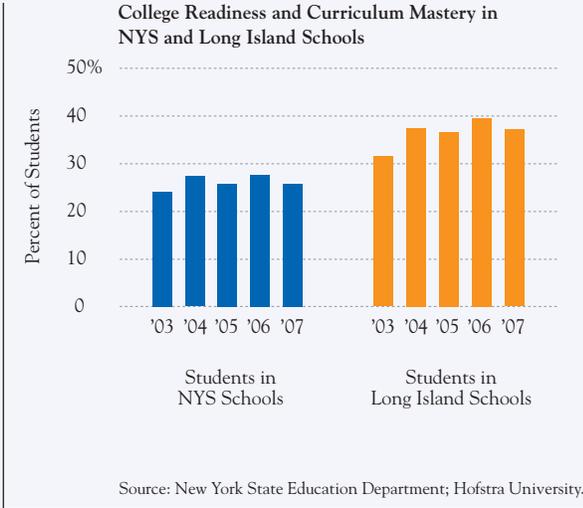
4TH GRADE ENGLISH LANGUAGE ARTS

In 2007, 81% of Long Island students met the ELA Grade 4 standard. State-wide 68% of students met the standard. Both represent a small improvement from the previous year. The gap between low-poverty schools and high-poverty schools remains wide: 88% meeting the standard compared to 63% for each, respectively.

8TH GRADE MATHEMATICS

Both NYS and Long Island schools improved in Grade 8 Math performance, correcting a slight decrease over the previous three years. In 2007, 75% of students in Long Island schools met the

Math 8 standard, while state-wide 52% of students met standard. Both the high-poverty and low-poverty schools improved by 10 percentage points. The gap between the high- and low-poverty schools becomes significantly wider by the middle school years and there has been no change in the size of the gap over the past seven years. While in 4th Grade, 63% of the students in poor schools were meeting the English Language Arts standard, by middle school only 44% meet the standard for the 8th Grade Mathematics requirement. There is no comparable drop-off in the low-poverty schools where 88% meet the English standard in elementary school and 81% meet the 8th Grade Math standard.



INDICATOR:

COLLEGE READINESS

College readiness has been essentially flat since 2004, but declined slightly between 2006 and 2007. There is a sizable gap in the performance between high- and low-poverty schools.

WHY IS THIS IMPORTANT?

As we continue into the 21st century, higher education plays an increasing role in determining people’s life chances. Success at the college level is a key individual stepping stone to full participation in society and economic security. At the same time, having a well-educated workforce is an important component in maintaining the region’s position in an increasingly complex and competitive world system. The extent to which our primary and secondary schools are preparing their students for college-level work is a key element.

HOW ARE WE DOING?

Overall, Long Island high schools outperform New York State high schools. On average Long Island high schools report that 37% of their students who took Regents Examinations in 2007 scored at least 85% on more than one exam. This is down two points from 2006. State-wide, there was a similar decline to 26% in 2007.

As with other educational indicators, the school-level measure of college preparedness is strongly correlated with poverty. Low-poverty schools report very strong scores on our measure of college readiness (47% in 2007), but high-poverty schools report much lower scores (15% in 2007). High schools with a large percentage of economically poor students face a much greater challenge in academically preparing their students for college.

INDICATOR:

AVAILABILITY OF CHILD CARE

Only 46% of Long Island’s children under the age of 6 are in a formal, regulated child care program.

WHY IS THIS IMPORTANT?

Child care enables parents to be employed and productive, thus reducing welfare and improving the economy. It prepares children for school, and when provided in a high quality program it can reduce grade repetition, drop-out rates and juvenile delinquency. Early education for children in poverty and those with developmental delays and non-English speaking parents can lower future costs that the public schools would otherwise assume.

Over the past decade new brain research has demonstrated return on investment from high quality preschools. Studies have demonstrated that children in higher quality programs perform better cognitively and socially while in child care, during transition to school and through second grade, and that at-risk children are affected more by the quality of the child care experience than children from middle and upper-income families. Hence, the availability of sufficient, high quality programs is critical as a component of Long Island’s economy, educational system and as a way to meet the needs of working parents.

HOW ARE WE DOING?

Demand for Child Care: There are 133,185 children under the age of 6 on Long Island where there is no one in the household over the age of 16 as an available caregiver. These children require child care in order for their parents to work.

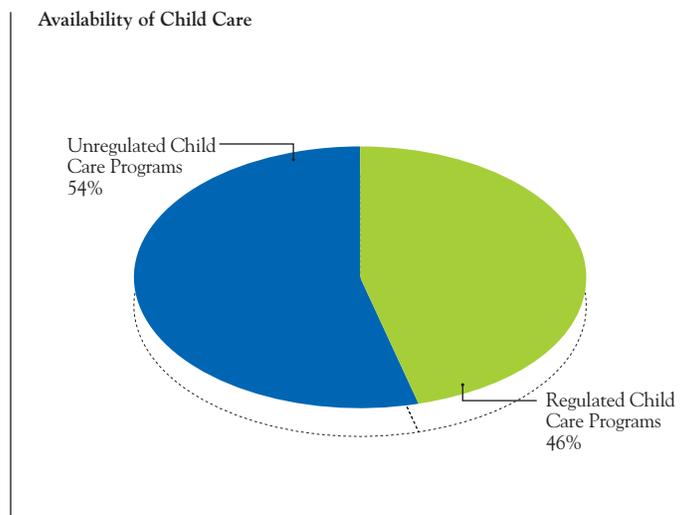
Supply of Child Care: There are an estimated 61,841 children who could be served in the formal, regulated market of child care programs on Long Island. This means that only 46% of children under the age of 6 can be served by programs that offer some oversight of health and safety standards and the provision of several quality standards. Thus, the majority of Long Island’s preschoolers, 54%, are in the unregulated market of child care (e.g., friends, family and neighbors), and there is no data about whether these environments are safe, nurturing or educational.

Of the children in child care programs, 59% spend their day in child care programs, including Head Start. Care in the home of a regulated provider with either 6 children or 12 (family child care or group family child care) accounts for 21% of the children. The part-day programs offered by pre-schools, nursery schools and pre-kindergarten programs can serve 18% of the children needing care, with the obvious need for other care for the rest of the day. A little more than one percent of children are with family members or neighbors who register with the county and can receive government reimbursement for taking care of eligible children. While many more grandparents and neighbors provide such care, many parents are ineligible for government subsidies or the provider does not want to report the income and isn’t identified to the county agencies. This group of family members and neighbors constitutes much of the informal market of care.

For parents who work full-time, it is difficult to use the 21% of regulated care that is available for less than three hours per day (e.g., nursery schools and pre-K programs) and if they do use it, they must rely on other child care options for the balance of the day. The Child Care Councils also report that parents will have a hard time finding infant care on Long Island as well as care during evenings, weekends or on a rotating basis.



For more information on availability of child care including definitions of each type of child care program, see Education Indicators, at www.longislandindex.org.



INDICATOR:

CHILD CARE AFFORDABILITY

76% of families on Long Island pay more than 10% of their household income for licensed child care programs.

WHY IS THIS IMPORTANT?

The affordability of child care will affect a family’s ability to work outside the home and help to determine whether their children are in healthy, high quality environments while parents work. With increasing emphasis on the importance of the early years particularly in relationship to brain development, and the potential impact on a child’s later success in school and life, ensuring high quality child care has become increasingly more important.

HOW ARE WE DOING?

The affordability of child care depends on several factors including: the number and age of the children requiring care, the hours and type of care used, the fees charged, family income, geographic location and whether the family is eligible for any government subsidies. Given the gaps in available programs, many parents piece together several programs to meet all of their needs.

An analysis of actual child care rates on Long Island for full-year, full-time care using data from licensed child care programs indicates that the average cost is \$13,629—more for younger children, less for older ones.

For most Long Island families with young children, these costs exceed economist’s recommendation to spend no more than 10% of household income on child care. For a family needing to provide care for two children under school age, the costs could be as high as \$27,282 (\$14,282 for a baby plus \$13,000 for an older child). In fact a review of census data reveals that 76% of Long Island families choosing licensed child care programs are paying more than 10% of their household income on child care.

Given the high cost of licensed programs, personal preference or convenience, many parents choose to use family, friends, or neighbors to care for their children, all of whom are not licensed, but some are registered so they can receive subsidies for the children in their care. On Long Island the average cost for these “legally exempt providers” is \$8,476 for full-year, full-time care (data for non-registered programs is not available). Given these rates, 52% of Long Island families choosing “legally exempt providers” are paying more than 10% of their household income on childcare.



For more information on child care affordability, see Education Indicators, at www.longislandindex.org.

Under 18 months	18-24 months	3-5 years
\$14,282	\$13,606	\$13,000





Our Environment



GOAL #10—NATURAL RESOURCE CONSERVATION

WE PROMOTE THE CONSERVATION AND EFFICIENT USE OF THE REGION'S NATURAL RESOURCES.

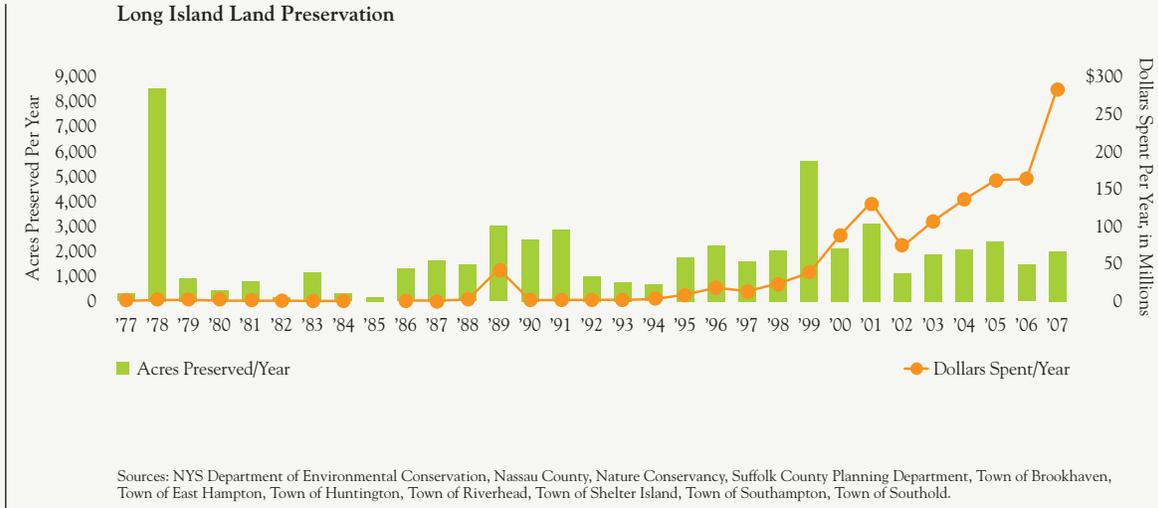
INDICATOR:

LAND PRESERVATION

Number of acres preserved improved slightly but the region is still falling behind its goals despite record spending.

WHY IS THIS IMPORTANT?

Land preservation is important on Long Island for reasons both environmental and economic. Preserved lands protect the Island's drinking water, provide critical habitat for wildlife, ensure the viability of the Island's farming industry and maintain the strength of its tourism sector.

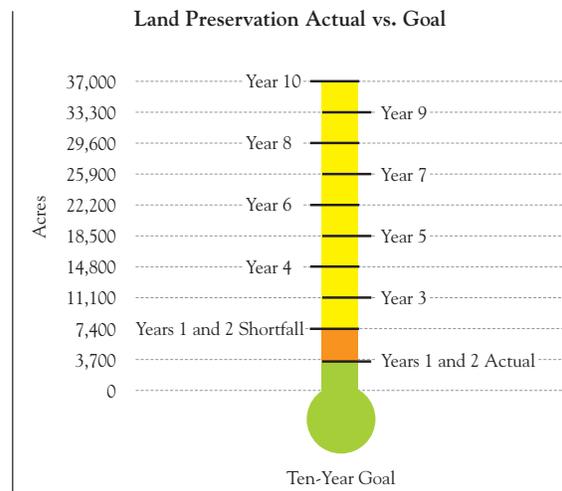


HOW ARE WE DOING?

Since 1977, New York State, both counties and numerous towns across the Island cumulatively expended over \$1.3 billion for the preservation of 57,535 of Long Island's approximately one million acres. With experts forecasting the Island's final build-out to take place within the next decade, the Department of Environmental Conservation's (DEC) 2006 plan calls for the additional preservation of 25,000 acres of environmentally open space and 12,000 acres of working farmland before that time. These goals would leave the Island with 92,147 acres of preserved land, nearly 1/10th of its total land mass, at the time of final build-out.

Though Long Island cumulatively spent a record \$285 million on preservation efforts in 2007, the 1,999 acres preserved was still significantly less than would be needed to reach the Island's preservation goals. The 3,457 acres preserved in 2006 and 2007, combined, represents approximately 10% of the Island's total preservation goal. At current rates, it would take over 20 years to preserve the 37,000 targeted acres. If final build-out does occur within the next decade, Long Island is on course to fall far short of its goals.

One reason for the difficulty in achieving the Island's preservation goals has been the tremendous escalation in the cost of land. In 2007, preservation entities paid, on average, approximately \$143,000 per acre. That represents a 22% increase over the approximately \$112,000 per acre spent in 2006 and a staggering 71% increase over the \$41,579 spent per acre in 2000. The recent slow down in the real estate market may represent a reprieve from these escalations over the next few years.



INDICATOR:

BROWNFIELDS REDEVELOPMENT

Known sites of environmental contamination are located in more than 100 Long Island communities.

WHY IS THIS IMPORTANT?

New York State defines a brownfield as properties where the presence or potential presence of a hazardous substance, pollutant, or contaminant may complicate plans for expansion, redevelopment or reuse. These sites include buildings that were former factories, dry cleaners, warehouses, vacant commercial lots, shuttered gas stations and auto shops. In addition to frequently being an eyesore in a community, they may pose environmental threats to surrounding areas and may affect ground water and the air supply. Further, they can be obstacles in the way of downtown and community redevelopment. Revitalizing brownfields is critical both for environmental needs as well as to capture potential tax revenue and to fully utilize a community's assets.

HOW ARE WE DOING?

Long Island is home to an estimated 6,800 *potential* brownfield sites. This number is based on known sites of contamination due to historic land uses, and chemical or oil spills. New York State Department of Environmental Conservation has identified 1,837 *known* (as opposed to potential) brownfield and state superfund sites, of which Long Island has 231 sites, representing 11% of the total number of brownfields statewide.

The road to cleaning up these sites varies by the type, extent and location of contamination. There are three programs that New York State has created to facilitate brownfields redevelopment. In all three cases, Long Island is lagging behind in applying for and receiving state funding for redeveloping brownfields.

The first program, the Brownfield Cleanup Program, focuses on helping private property owners. In these situations the state provides guidance throughout the cleanup process, offers generous tax credits to help cover the cleanup and redevelopment costs, and issues Certificates of Completion at the end of the cleanup. Of the 15 Long Island sites that have enrolled in the program, none have finished the program.

The second, the Brownfield Opportunity Area Program, offers state funding for local governments and community organizations to work together and plan for the redevelopment of these sites. In 2004, the first year of the Brownfield Opportunity Area Program and the only year that data is available, 6 grants (12%) out of 46 statewide were given to Long Island which represents 8% of the total \$7 million allocated.

The third, the Environmental Restoration Program, funds the remediation of brownfield sites owned by municipalities. As a region, Long Island municipalities have received just over \$1.1 million dollars out of the \$200 million dollars allocated for the program.

In addition to the above programs, there are both federal and state Superfund programs where the goal is to ensure that the worst polluter pays for the cleanup. Nationwide about 70% of the cleanups regulated by the federal government are paid by polluters, while on Long Island, the polluters paid for only 50% of the cleanups. Under the state program 66% of the Superfund sites on Long Island are being cleaned by the polluter, which is consistent with the statewide average.



To see a map of brownfield sites on Long Island, go to www.longislandindex.org and launch the Interactive Maps.

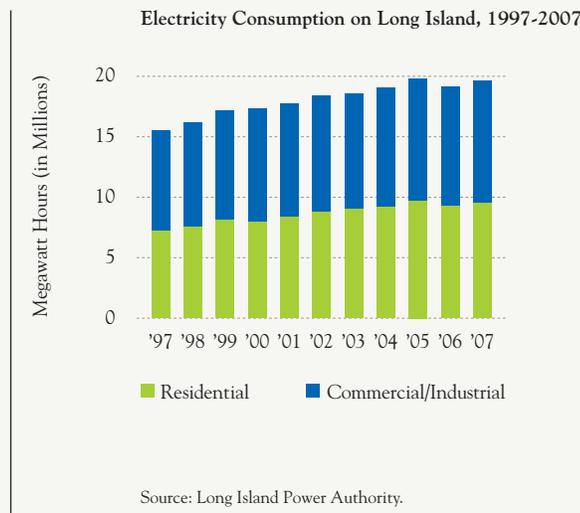
Brownfield Sites by Community

Community	Number of Sites*	Known State and Federal Funding for Selected Sites and Communities**
Babylon	4	\$137,929.27
Baldwin	3	\$94,000.00
Bay Shore	5	\$4,919,961.21
Bayville	1	
Bethpage	3	
Blue Point	1	
Bohemia	1	\$2,000,000.00
Brentwood	1	\$1,095,835.74
Carle Place	1	
Central Islip	2	
Copiague	1	\$1,000,000.00
Copiague	2	
Coram	1	
Deer Park	6	\$15,803.16
East Farmingdale	11	\$17,650,333.84
East Massapequa	1	
East Northport	2	\$600,000.00
East Patchogue	2	\$3,274.26
East Rockaway	1	
Eastport	2	
Elmont	3	
Farmingdale	8	\$3,008,474.72
Floral Park	1	
Franklin Square	3	\$11,000,000.00
Freeport	3	
Garden City	8	\$3,000,000.00
Garden City Park	2	\$574,497.62
Glen Cove	16	\$70,850,000.00
Glen Head	2	
Glenwood Landing	5	
Great Neck	7	\$6,388,796.75
Greenlawn	1	
Greenport	1	\$60,000.00
Hauppauge	5	\$5,954,567.53
Hempstead	7	\$249,544.23
Hewlett	4	\$1,000,000.00
Hicksville	14	\$20,800.00
Holbrook	2	
Huntington	3	\$617.21
Huntington Station	2	\$225,000.00
Inwood	4	
Island Park	2	
Islip	1	
Lake Success	2	
Levittown	2	\$967,351.38
Lindenhurst	4	
Long Beach	1	
Manhasset	1	
Manorhaven	1	
Manorville	1	

Community	Number of Sites*	Known State and Federal Funding for Selected Sites and Communities**
Massapequa	3	
Medford	1	
Melville	2	
Merrick	3	
Mineola	4	\$8,000,000.00
New Cassel	8	\$380,000.00
New Hyde Park	3	\$99,468.90
North Bellmore	1	
North Hempstead	2	
North Hempstead/Westbury	1	
North Merrick	1	
North Park	1	\$65,000.00
North Sea	1	
Noyack/Sag Harbor	1	
Oceanside	5	
Old Bethpage	6	\$38,000,000.00
Oyster Bay	1	
Oyster Bay/Glen Head	1	
Patchogue	2	
Plainview	2	
Port Jefferson Station	1	\$7,000,000.00
Port Jefferson Station	1	
Port Washington	6	\$4,000,000.00
Riverhead	2	
Rockville Centre	2	
Rocky Point	1	
Ronkonkoma	1	
Roosevelt	3	\$1,225,874.42
Roslyn	1	
Sag Harbor	4	
Seaford	1	
Shirley	1	
Shoreham	1	
Smithtown	2	\$3,000,000.00
Southampton	1	
Southampton/Westhampton	1	
Southold	1	
Speonk	1	\$1,236,421.55
Syosset	2	
Upton	2	
Valley Stream	3	
Wantagh	1	
West Babylon	4	\$1,250,818.54
West Brentwood	1	
West Islip	1	\$6,403,924.36
West Sayville	1	
Westbury	8	\$271,591.51
Westhampton Beach	3	
Wyandanch	4	\$808,170.00
Yaphank	1	
Grand Total	278	\$202,558,056.20

*Sites counted include: New York State Brownfield Cleanup Program, NYS Environmental Restoration Program, NYS Voluntary Cleanup Program, Federal and State Superfund sites, and communities that have received Federal and State funding for Brownfields redevelopment sites may be duplicated if both on the National and State Superfund List.

**Funding includes EPA Assessment and Clean Up Grants, Federal Superfund for remediation activities, NYS Superfund for remediation Activities, Environmental Restoration Program Grants Including Pre-2003 Funding.



INDICATOR:

ENERGY CONSUMPTION

Long Island’s electricity and natural gas consumption keeps growing as well as our carbon emissions.

WHY IS THIS IMPORTANT?

Data from the U.S. Energy Information Administration shows that buildings, commercial and residential, are responsible for almost half (48%) of all energy consumption and greenhouse gas (GHG) emissions in the United States. Greenhouse gas emissions, particularly carbon dioxide (CO₂), are widely accepted as the main contributing factors in global climate change. With 1,180 miles of shoreline, Long Island is uniquely disposed to sea level rise and other impacts of climate change. Recent modeling released by Architecture 2030, a leading organization studying the potential impacts of climate change, shows that a sea level rise of even one meter would have serious consequences for the U.S., leaving it vulnerable to catastrophic property and infrastructure loss with large population disruptions and economic hardships.

To help mitigate the potential impacts of climate change, New York State mandates are to:

- Reduce energy consumption 15% by 2015
- Reduce CO₂ emissions 25% by 2025
- Generate 25% of the state’s energy from renewable sources by 2013

HOW ARE WE DOING?

The world’s leading climate scientists have issued warnings that we need to drastically reduce greenhouse gas emissions in order to avoid catastrophic and irreversible effects of climate change. Many now believe that reductions of 80% below 1990 levels are needed by 2050 or even earlier.

New York State has several stated policy goals to reduce energy consumption and CO₂ emissions, among them the Renewable Portfolio Standard requiring 25% of the state’s electricity to come from renewable fuels like solar and wind by 2013 and the 15 x 15 initiative with the goal to reduce electricity consumption 15% by 2015.

Unfortunately, we are neither on track to achieving such goals nor have we formulated clear and binding plans to do so.

ELECTRICITY CONSUMPTION

Data from the Long Island Power Authority shows that residential, commercial and industrial electricity consumption in 2007 increased 2.5% over the previous year, continuing its steady upward trend of 21% over the preceding ten years. Residential electricity use has grown 27% while population grew less than 9% during the same time.

In order to achieve the state's 15 x 15 goals, Long Island would need to curtail its annual electric consumption growth to less than 4/10 of one percent instead of the present 2.5%.

GREENHOUSE GAS EMISSIONS

To satisfy this growing hunger for electricity, the Island's fossil fueled power plants pumped millions of tons of climate changing greenhouse gas emissions into the global atmosphere. According to U.S. Environmental Protection Agency (EPA) data, despite reducing the rate of carbon dioxide emissions per kilowatt-hour slightly (4%), total CO₂ emissions from Long Island's power plants in 2005 (the most recent data available) increased by almost 90,000 tons to more than ten million (10,201,971) tons.

Instead of reducing CO₂ emissions by about 2% a year to reach an 80% reduction by mid-century, Long Island's power plants increased emissions of this greenhouse gas by about 1% from 2004 to 2005 and there is no plan in place that would allow us to reach the needed reductions.

POWER SOURCES

While most of Long Island's electricity is still produced on Long Island, a growing share of it is purchased and transported through long-distance transmission lines and undersea cables from off-Island power sources. In 2005, LIPA imported 37% of our electricity from off-Island sources; in 2007 imports made up 41% of our electric diet.

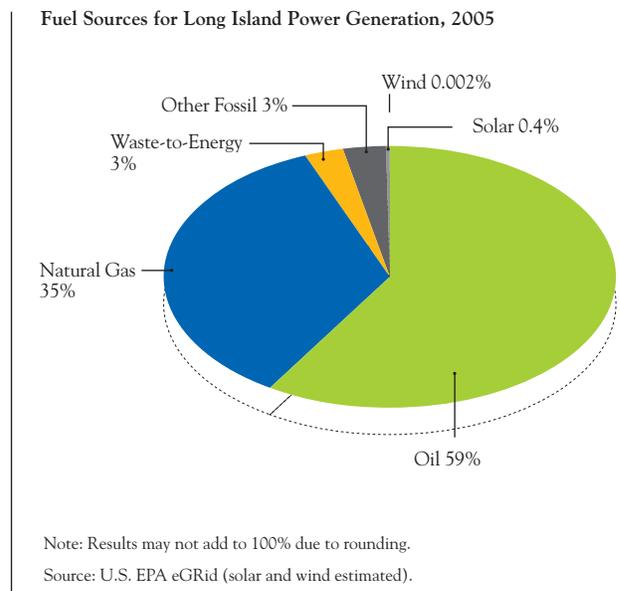
Long Island's power plants are antiquated and inefficient in converting fuel into electricity but many have the capability to switch from oil to natural gas depending on fuel prices and other factors. In 2005 Long Island's generators produced 59% of the electricity by burning oil, 35% came from natural gas, and 6% from waste-to-energy incinerators and other fossil sources.

NATURAL GAS

Long Island's residential, commercial and industrial users bought almost 14% more natural gas (90,898,704 dekatherms) from National Grid in 2007 than in the prior year which resulted in 5,317,574 tons of carbon dioxide emissions. However, a considerable portion of that increase resulted from converting space heating equipment from oil to natural gas which reduces carbon dioxide emissions by almost a third based on the same energy input.

RENEWABLE ENERGY

On the renewable energy front, there are about 1,400 solar roofs on Long Island with a total of about 10 MW of capacity. LIPA recently issued a request for proposals for 50 MW of solar electric panels. However, despite this step, total solar generation output over the next few years would amount to less than 1/2 of one percent of fossil-generated electricity, nowhere near state goals.





Governance



GOAL #11—MANAGING FOR RESULTS

LONG ISLAND'S COUNTIES, TOWNS, VILLAGES AND OTHER JURISDICTIONS MANAGE THEIR COSTS AND PROVIDE QUALITY LOCAL AND REGIONAL SERVICES.

INDICATOR:

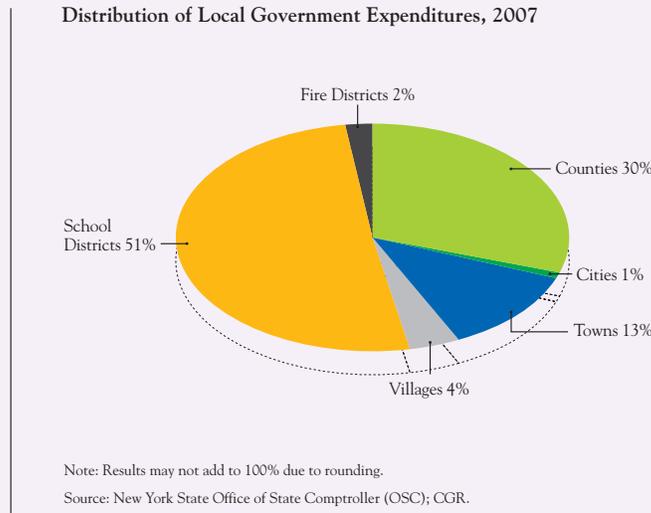
EXPENDITURES AND REVENUES

Long Island relies more heavily on property taxes as a percentage of total revenues than the rest of the state and property taxes have increased 20% in the past ten years compared to 6% statewide.

WHY IS THIS IMPORTANT?

Long Island has a large number of local government entities with associated expenditures that are large and growing. In 2007, local taxpayers contributed 79% of the total cost of local government, compared to 66% in other areas of New York State.¹ A ten-year history of local government expenditures and revenues, and comparable figures for local governments and school districts, allows Long Islanders to evaluate whether or not efforts to mitigate growth in the cost of local government have been effective.

¹All benchmark comparisons herein are for all other areas outside of Long Island *excluding* NYC.



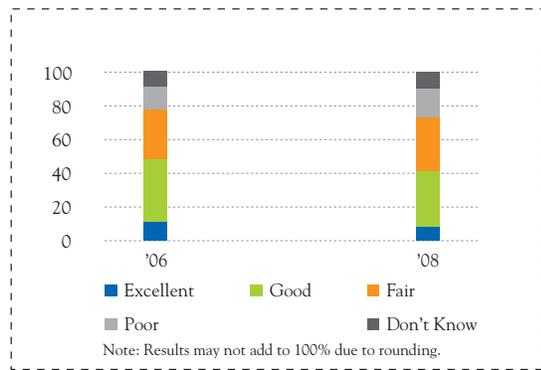
HOW ARE WE DOING?

Long Island relies more heavily on property taxes as a percentage of total revenues than the rest of the state (49% of all revenues for Long Island in 2007, compared to 33% for the rest of the state). From 1998 to 2007, property taxes increased 20% above the rate of inflation on Long Island, compared to 6% for the rest of the state.² The largest increases during this time period were attributable to cities, school districts and fire districts.

State revenues are a smaller portion of Long Island's total revenues (17%) than for other New York State local governments (27%). Also, Long Island's local governments rely more heavily on local property taxes, and depend slightly more on sales tax revenues, than do other New York State governments.

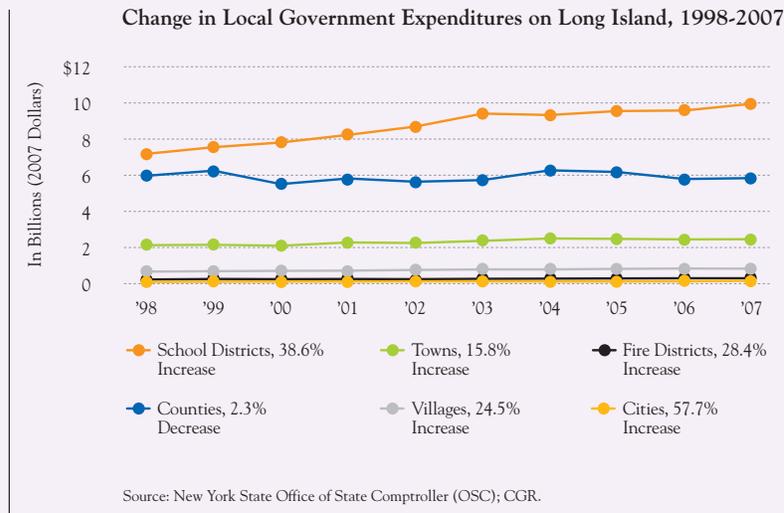
Fewer Long Islanders feel they are getting back an excellent or good value from their property taxes in terms of the quality of education in 2008 than they did two years ago, 41% today compared to 48% in 2006.

What People in the Region Are Saying
Please think about the quality of education provided by your local schools. What would you say is the value local residents get back from property taxes in terms of the quality of education?



Fewer Long Islanders feel they are getting back an excellent or good value from their property taxes in terms of the quality of education in 2008 than they did two years ago, 41% today compared to 48% in 2006.

²There were also large differences in sales tax growth over the period. Long Island's grew by 21%, compared to 80% in the rest of the state. The primary reason for the discrepancy involves new accounting treatment rules instituted by the Governmental Accounting Standards Board in 2006. According to the new rules, counties with local sales tax sharing agreements were required to begin recording gross sales tax receipts (i.e., including all revenues, even those to be distributed with local governments). As a result, starting in 2007 many counties across the state showed sharp increases in sales tax revenues. Nassau County, by contrast, has always accounted for its shared sales tax in this way, so the new standards did not result in a similar increase. As Suffolk does not have a sharing agreement, the new standard did not affect it.



EXPENDITURES

Total expenditures by Long Island's local governments³ amounted to \$19.6 billion in 2007. School districts were the largest component of local government expenditures, with county government expenditures the second highest. The functional distribution of expenditures among Long Island's local governments is reasonably similar to other local governments in the state.

Spending by all local governments on Long Island grew 20% faster than inflation between 1998 and 2007. The growth rate reflects the fact that expenditures and revenues for Nassau County prior to 2000 included the county hospital, which was spun off from county operations to a public benefit corporation in 1999 and thus removed from the county numbers. In addition to being the largest component of local government spending (51%),

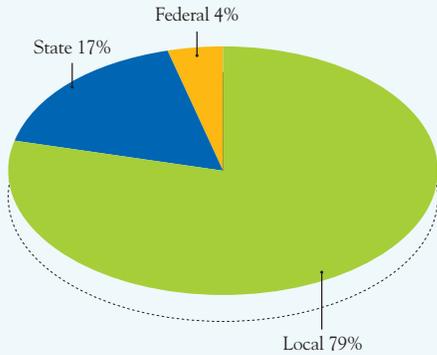
school districts had the second-greatest increase in spending, rising 39% higher than the rate of inflation over the ten-year period. City expenditures rose 58% higher than inflation, but city expenditures only represent less than 1% of total local government expenditures on Long Island.⁴ The third fastest increase in expenditures was in fire districts, up 28% higher than inflation. Fire districts represented 1.5% of total local government expenditures.

Expenditures by school districts on Long Island grew faster than those in the rest of the state due to higher increases in payroll, equipment and capital costs. At the same time, Long Island's school districts held down expenses for employee benefits, goods/services and debt better than the rest of the state.

³Local governments included in this report were all counties, cities, towns, villages, school districts and fire districts that filed annual reports with the New York State Office of the State Comptroller. Independent special districts on Long Island are not included, as the Comptroller database does not include information from all these districts. However, based on the information available on reporting districts, CGR believes the total expenditures for special districts not included in these totals is less than \$200 million, or less than 1.5% of the total counted in these tables.

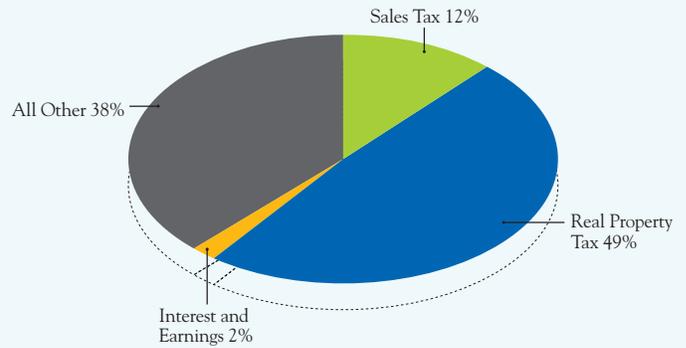
⁴There are only two cities on Long Island, both in Nassau.

All Revenue Sources—Long Island, 2007



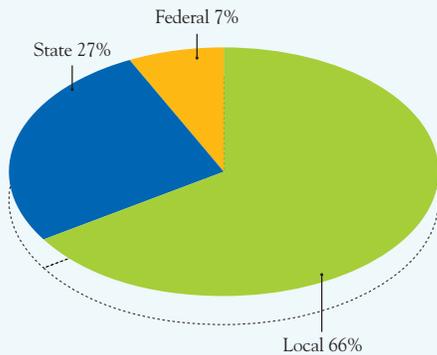
Note: Results may not add to 100% due to rounding.
 Source: New York State Office of State Comptroller (OSC); CGR.

Local Revenue Sources—Long Island, 2007



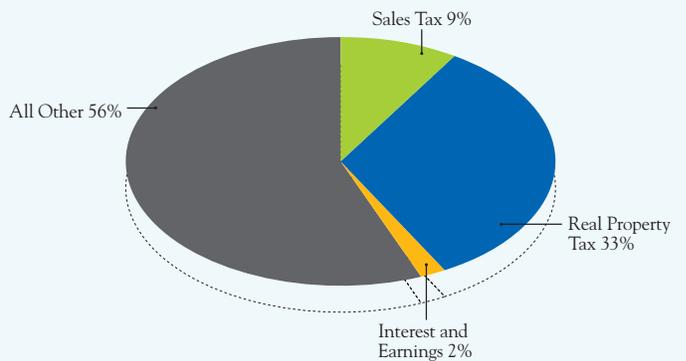
Note: Results may not add to 100% due to rounding.
 Source: New York State Office of State Comptroller (OSC); CGR.

All Revenue Sources, 2007—NYS (Minus NYC, LI)



Note: Results may not add to 100% due to rounding.
 Source: New York State Office of State Comptroller (OSC); CGR.

Local Revenue Sources—NYS (Minus NYC, LI), 2007



Source: New York State Office of State Comptroller (OSC); CGR.

REVENUES

Local governments in New York rely primarily on three sources of revenue—local revenues, state funding and federal funding.⁵ In 2007, 79% of Long Island’s total local government revenues were generated from local sources, either property tax, sales tax, interest and earnings or other fees and taxes, up slightly from 78% in 1998. 17% came from state sources and 4% from federal sources in 2007.

As noted, on Long Island local revenues were 79% of all revenues, compared to 66% for the rest of the state. The difference may help to explain in part why Long Islanders perceive such a heavy local tax burden. The data show that the relative local tax burden differential between Long Island and the rest of the state has not changed significantly over the last ten years.

⁵A fourth source of funding is debt financing; however, the debt burden is paid from local, state or federal revenue sources and is included in the figures used in this analysis.

Long Island Schools and Government Percent Change in Full Taxable Value and Real Property Tax Levy Compared to Inflation 1998-2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Consumer Price Index	100%	102%	105%	108%	111%	114%	118%	123%	127%
Average Change in Full Taxable Value	100%	103%	113%	126%	141%	166%	189%	211%	234%
Change in Real Property Tax Levy:									
School Districts	100%	104%	109%	116%	126%	137%	148%	161%	172%
County Governments	100%	101%	109%	116%	127%	144%	144%	146%	146%
Town Governments	100%	102%	104%	109%	111%	117%	121%	128%	133%
Village Governments	100%	101%	107%	110%	115%	123%	132%	143%	150%

Source: New York State Office of State Comptroller (OSC); CGR.

PROPERTY TAXES

High property taxes have been identified as a significant concern for Long Islanders starting with the very first *Index* report. As noted above, real property taxes account for 49% of the revenue for local governments on Long Island, which is by far the largest revenue source. Thus, there are two sides to the story about property taxes. On the one hand, they are a significant burden on local taxpayers. On the other hand, they are a critically important source of revenues, without which local governments could not provide the level of services currently offered, unless corresponding other revenue sources can be found to offset any losses in property taxes collected.

Property tax rates are calculated by dividing the real property tax levy⁶ by the taxable assessed value of the property within the jurisdiction of each government.⁷ The property tax levy can be affected most directly, on a year-by-year basis by local governments exercising control over costs that have to be paid from local taxes. Local

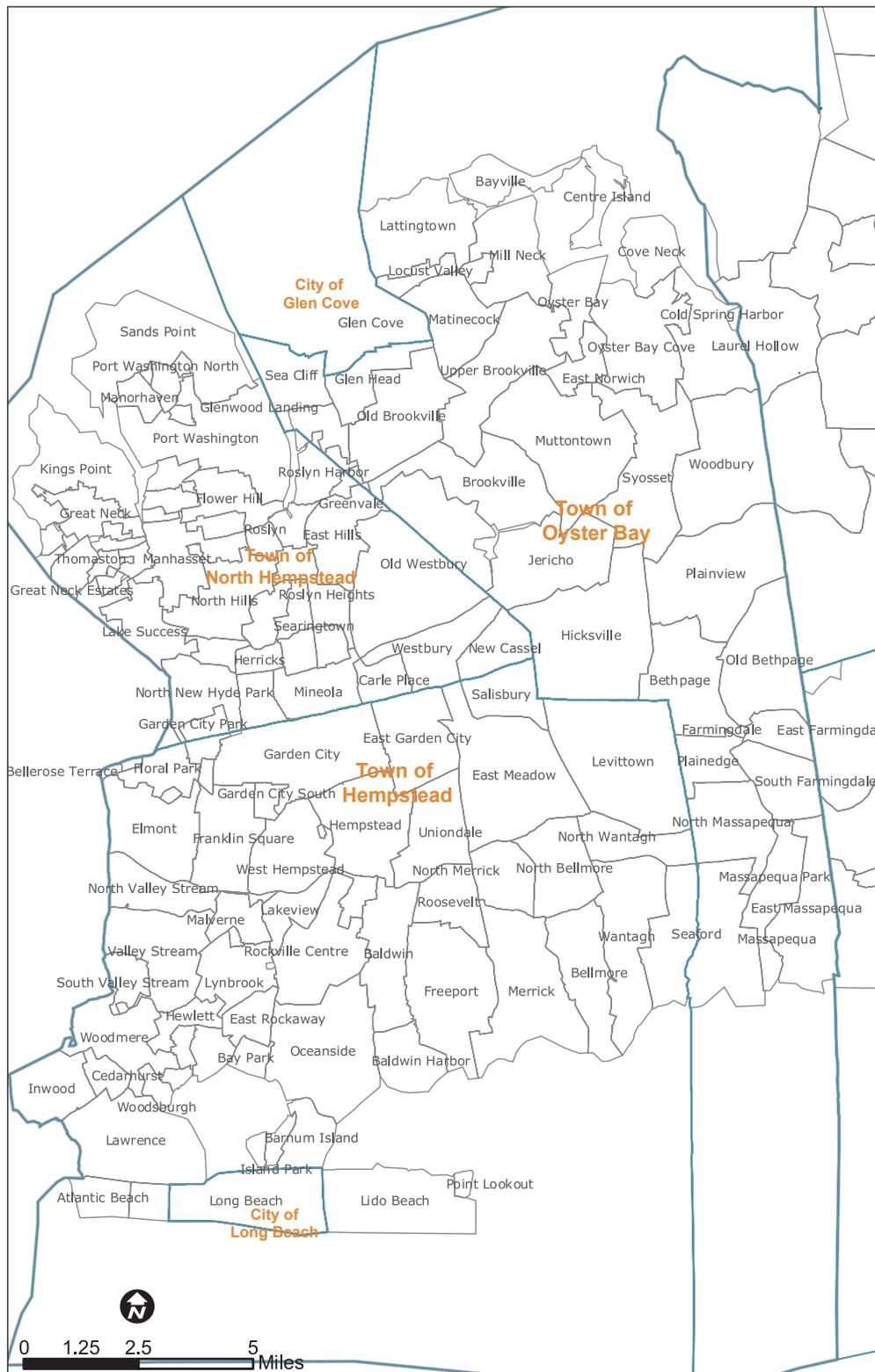
governments have less direct control over the value of taxable real properties, as these are subject to supply and demand forces from regional and national trends as well as local conditions.

During the period from 1998 to 2006 (the most recent data available from the Office of State Comptroller), real property tax levies for all forms of local government on Long Island grew faster than the rate of inflation, but slower than the rate of growth of real property values. For example, real property tax levies for all school districts on Long Island grew 172%, compared to inflation, which grew 127%. However, the real property full taxable value grew by an average of 234%. As another example, for all village governments on Long Island, real property tax levies grew 150% compared to the 127% inflation growth. A key indicator for the future will be, if real property values fall on Long Island, will local governments reduce costs at a corresponding rate so that local tax burdens do not increase even more.

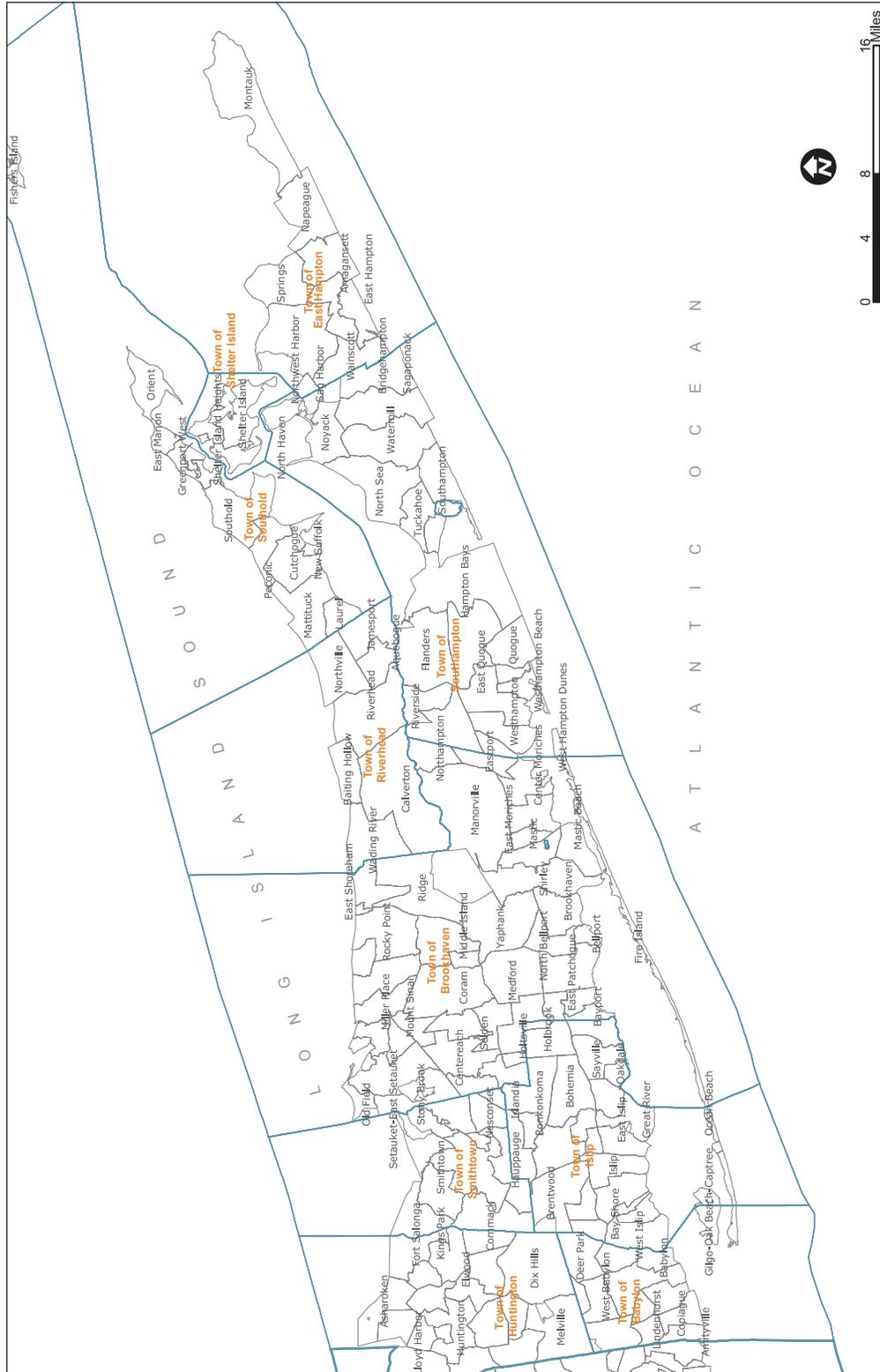
⁶The amount needed to support total governmental appropriations minus revenues from all other sources.

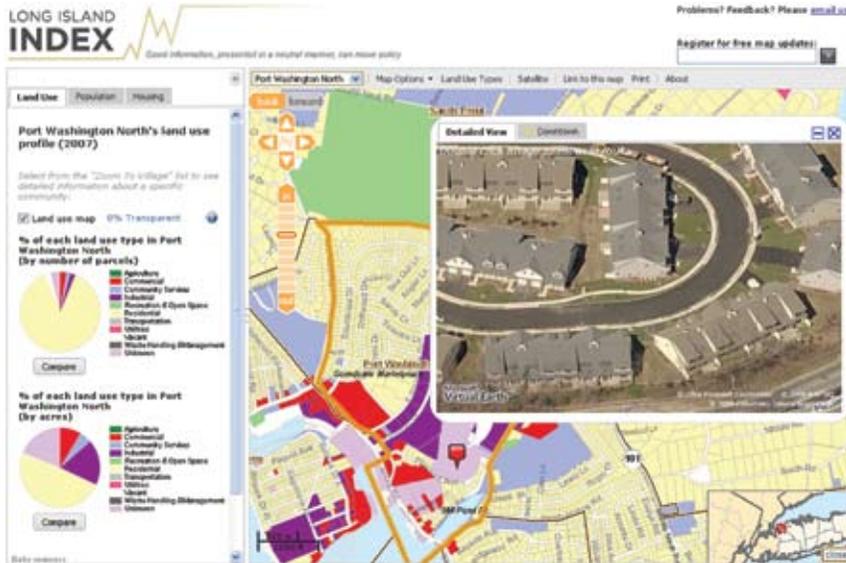
⁷For this report, real property full taxable value as calculated by the state is used to adjust for different assessment rates in local governments on Long Island.

NASSAU COUNTY CITIES, TOWNS, VILLAGES AND HAMLETS



SUFFOLK COUNTY TOWNS, VILLAGES AND HAMLETS





NEW INTERACTIVE MAPPING FEATURE AVAILABLE AT WWW.LONGISLANDINDEX.ORG

We have launched a new feature on our website that makes data about Long Island come alive using innovative mapping tools displaying local and regional trends in revealing ways. Users can choose which data elements they want to see in relation to each other and mix and match data to suit their individual needs and reveal complex relationships in easily understood ways. The visualization tools allow users to quickly find information without having to search multiple sites and resources.

Some of the things you can find here include:

- Detailed property-level patterns of residential, commercial, industrial, and other land use types within each village and across Long Island.
- Key population and housing characteristics shown on the maps, plus statistics listed dynamically as users zoom in to each community.
- Transportation and reference features such as satellite photos, bus and LIRR routes, incorporated and unincorporated villages, special districts and legislative districts.
- Bar charts comparing Census statistics.
- Regional views showing villages that meet certain characteristics, such as all the villages across Long Island with more than 10% population growth.
- New mapping tools such as a “dynamic transparency slider” to reveal land use patterns or aerial photos underneath Census maps and Microsoft’s “bird’s eye view” photos integrated directly into the maps (accessible with the click of a mouse).

We will continue to add more data in the coming months and will update current data when new information is available. And as always you can find indicator data, reports and surveys, graphs and the monthly article *What Every Long Islander Should Know* on our site.

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