

# ***INNOVATE* LONG ISLAND**

## **A New Plan for the Economic Development of the Long Island Region**

**Long Island Association, Inc.**

**September 2006**

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Innovation is a much-used word these days. As America faces the changing economic challenges of the global economy, it seems our national economic strength resides more than ever in our ability to innovate, to introduce something new to the world. The sense that innovation is our salvation has strong historical roots. For almost 150 years, from the stirrings of the Industrial Revolution to these early days of the Knowledge Age, America has been the world's leader in invention, applied sciences, and social advancement. In a sense, the word "innovation" in today's context is just a reminder that we have to continue doing what we have always done.

Few places in the nation have done so well with innovation as has Long Island. While often known for its technological inventiveness, Long Island actually has been an innovation leader in all aspects of modern life. Yes, it's true Long Island was the place where the Lunar Landing Module was built; where Tesla and Marconi perfected wireless radio transmissions; where the co-discoverer of recombinant DNA, Dr. James Watson, has his laboratory; where bar code scanning became a business. But, Long Island also is the place where the first supermarket, King Cullen, was created; where bank credit cards took off, at Franklin National Bank; where the first suburban affordable housing project, Levittown, arose; and where the first shopping center, Roosevelt Mall, was built.

But times change, and that old question, "What have you done for me lately?", always hangs in the air. Long Island has never rested on its past glories, and it always has dealt with change in a head-on, nothing-will-stop-us manner. In the 1980s and early 1990s, for example, Long Island suffered an economic body blow when defense downsizing cost the region about 100,000 jobs, as well as its major manufacturing industry. Many places never recover from an economic reversal of that magnitude. Long Island, however, recovered so quickly and so convincingly that its reversal of fortune came to be known among economists as the "Long Island Miracle." The region's economy became more diversified, more focused on smaller businesses, and consequently, even stronger and more resilient than it had ever been.

It is always better to anticipate change than merely react to it, and it was in that spirit that the Innovate Long Island project was begun. The title "Innovate Long Island" was chosen to suggest not just that Long Island needs to be at the heart of the innovation movement in America, but also that, to accomplish that, Long Island itself will have to engage in some innovation as a community. In other words, we will have to change our ways in order to be able to deal with the changes happening around us.

Innovate Long Island divided the problem of change, and anticipating our economic development needs, into four parts: Human Resources, Education, Research, and Investment. The first two areas underscore an inescapable reality of the Knowledge Age: regions with the best-educated, most creative people will be the most prosperous. They will win the economic race. Every other place will struggle and wonder why they are struggling. The future is less about brawn than it is about talent. It is about educating talent, attracting talent, and keeping talent. Economic development today is concerned more about the strength and depth of the local talent pool than it is about tax abatements. Tax abatements will only cost the community wealth if the talent the community grows sets down roots someplace else and the community's business base cannot find the talent it needs to grow.

Growth in the Knowledge Age also requires research and investment. Innovation today is a long process, longer and more expensive than ever in history. Research requires funding, and it thrives on collaboration. Public sector scientists and private sector researchers have to have the freedom to share information, resources, even equipment to produce innovation at the pace that the global economy increasingly demands. And investment is not limited finding revenue streams. Investment also means finding ways to lower business and living costs, as well as improving the community's infrastructure.

Innovate Long Island brought together over one hundred of Long Island's most thoughtful, experienced, and creative minds to address the Island's future economic needs, and what it will take to meet those needs. The project's committees, each listed with their participants on the following pages, have produced what can only be called an innovative economic development plan for the region. Acknowledging the practical world in which the plan will have to be carried out, Innovate Long Island presents its report in a concise, easily readable series of Action Items.

The first set of Action Items addresses things that, because of their fundamental importance to the region's economic foundation, require more urgent attention. Those items are grouped into a heading called The First Two Years, underscoring the fact that the Innovate Long Island plan is a multi-year undertaking. Ideas that will take longer to implement are grouped into the heading The Ten-Year Agenda.

More important than any individual Action Item contained in this plan is the need for Long Islanders to come together to collaborate on their own future. Innovate Long Island is meant to provide a structure on which the region can build its economic future, and a vehicle for region-wide collaboration. The LIA hopes that this plan will be used by Long Islanders who care about, and have a vision of, the region's future with those purposes in mind.

Matthew T. Crosson  
President  
Long Island Association  
September, 2006

Common threads. Among many fresh new ideas for the development of Long Island's economy, that is what came out of the Innovate Long Island project. The process of bringing together people from different walks of life, different perspectives on this community, to peer into the future always is fascinating. It invariably provides new ways of looking at the place we see every day. It is equally interesting when those people from different perspectives consistently raise the same issues that they think the community needs to address. And that happened to an unusual degree in the Innovate Long Island project.

Many of the themes that grew out of the work of the Innovate Long Island committees and sub-committees are not surprising. In a region that historically has struggled with factionalism, the need for collaboration is the most consistent theme in this report. Without exception, all committees saw the need for more effective collaboration by and among Long Islanders from all industries and parts of the community to achieve our economic development objectives.

Reaching out also was a consistent theme. From reaching out within the region to keep younger people from leaving or to encourage healthier behavior by Long Islanders, to reaching out to foreign companies to encourage investment in our community, the idea that we need to get the message about Long Island out more effectively was adopted by many of the committees.

Affordable housing also was a consistent theme, not just within the realm of human resources, but also with the context of the investment Long Island needs to make to be economically competitive in the future. With new Census Bureau figures showing a continuing decline in the region's younger population, that theme is to be expected. Consistent with that theme was the need to do more to keep young people here and to accomplish that by better connecting employers and the educational system at all levels.

Another consistent issue raised by many committees, was the urgent need for tax reform. Often that took the form of more, or a fairer share of, aid from the State of New York. Tax reform, and State financial support, was an issue raised by every committee; it is an issue that affects human resources, education, research, and investment. More support from the State is essential to Long Island's economic development.

In several areas, this plan calls for both lower taxes and more state spending, especially on research and education. That may seem paradoxical, particularly coming from an organization that represents so much of the business community. In fact, it is not paradoxical at all. The LIA has long called for various reforms in state government that, collectively, could significantly reduce excessive or unnecessary state spending. The savings could be used to both reduce taxes and reallocate spending to more critical areas, such as education, research, and proactive economic development.

What reforms? What savings? The Office of the State Comptroller, through several administrations, has pointed out ways the state can save money and manage its affairs more efficiently. Debt reform, competitive bidding reform, improved investment yields from under-performing assets, implementation of audit findings could generate hundreds of millions alone. Add to that serious waste reduction programs that affect all areas of government, including public authorities. And reforms in the Medicaid system, including reforms to prescription drug costs and improved Medicaid fraud prevention and billing and payment procedures. The list of potential savings through better and smarter management of state government is substantial.

The LIA believes that a combination of savings at the state government level, reduced taxes at the state and local levels, and targeted economic development at all levels, will both reduce the cost of government and stimulate more economic activity to support government. That combination should allow New York to lift taxation burdens from businesses and individual taxpayers and re-order its spending priorities to accomplish the things this report envisions for the future of Long Island.

Innovate Long Island is intended to provide the community with a new approach to regional economic development; with fresh ideas and a revised perspective on our collective needs. Like any report of its kind, it will accomplish its purpose only if the people of Long Island give it life and actively pursue its recommendations. If they do, Long Island's future will be as bright as its past has been innovative.

# **HUMAN RESOURCES**

Co-Chairs: Nancy Douzinas, President, Rauch Foundation

Peter Klein, Senior Vice President, UBS

## **Introduction**

Four major issues dominate planning for the human resources Long Island will need for the future: a shrinking younger workforce; difficulty in retaining older workers; housing; and transportation.

In a sense, a simple “equation” underscores Long Island’s human resource issues:

*innovation = [networking + face to face communication + research & educational institution resources] – turf mentality*

Innovation cannot be achieved without leveraging our assets, Research & Educational Institutions, through a concerted effort at Networking and Communication without the hindrance of extreme selfishness, Turf Mentality.

The Human Resources Committee developed the following ideas to help ensure that the region has the most vital element for its future growth and prosperity, a talented workforce:

## **THE FIRST TWO YEARS**

### **Action Item #1: Regional Competitiveness Survey**

Prepare a simple questionnaire to survey Long Island’s universities, companies (both large and small) and trade associations in order to better understand what they see as the issues on Long Island. The work of the Council on Competitiveness in its Regional Competitiveness Initiative can provide examples of what should be surveyed. Questions such as: “Who graduates?” “What degrees are granted?” “Who stays on Long Island?” “What training is required to prepare the local workforce for local jobs?”, all can provide Long Island important new insights into the region’s need for.

The survey would be built around the five issues commonly faced by regions trying to develop innovation-based economies, as found by the Regional Competitiveness Initiative:

- Promoting regionalism
- Building and retaining talent
- Transitioning to advanced manufacturing

- Networking knowledge assets
- Energizing the entrepreneurial economy

### **Action Item #2: Housing Affordability**

- Local businesses need to get more involved—they need to go to the town boards and become more active in the efforts to create more affordable housing opportunities for their workers, because without those workers small businesses will be unable to grow on Long Island
- Fast Pass—permitting developers of affordable housing to be permitted an expedite protocol for approvals and permits.

### **Action Item #3: Initiate an Advertising Campaign.**

This campaign should speak to Long Island’s educational prowess in Science Education, working with Intel Science Talent Search to make Long Island a hub for young scientists who can be encouraged stay on Long Island after college because of strong ties to the community and to their chosen profession.

### **Action Item #4: Transportation**

Increase awareness of Long Island’s bus system, and increase the capacity of the system itself. Incentivize businesses to make employees aware of the bus and mass transit systems on Long Island. Less traffic, due to increased mass transit use, will improve the quality of life on Long Island, reducing the risk of people and companies leaving Long Island.

### **Action Item #5: The Brain Drain: Stemming the Tide**

The committee proposes the increased support for programs that encourage Internships; and Mentoring. By affinitizing young people to Long Island we will be more likely to keep them here.

### **Action Item #6: New Focus on Training**

The region needs to dramatically increase training programs aimed at new immigrants, younger people, and older workers who need re-training to stay in the workforce. The committee proposes to designation of a regional “Training Czar” who would work with both counties, the business community, and the educational community to improve Long Island’s training programs and ensure that the region obtains all available government financial support for training..

### **Action Item #7: Embracing the Gray Wave**

Given the demographic trend in the region toward an aging population, we have to develop programs that make staying in the workforce more attractive to older workers. We also have to provide incentives for retired professionals and business owners to participate in local businesses. An example would be a matching service program through which retired CPA's are able to find part time positions in accounting firms by searching a web site.

## **THE TEN-YEAR AGENDA**

### **Action Item #1: Transportation Infrastructure**

We need to go forward with the Long Island Rail Road Third Track project, which would provide New York City residents a mass transit alternative to commute to Long Island for work.

### **Action Item #2: Housing Infrastructure**

The lack of sewage treatment plants and sewers in certain areas of the region needs to be addressed in order to increase housing density with less land use.

### **Action Item #3: Career Fairs Clearinghouse**

We should develop a central clearinghouse for scheduling and coordinating Career Fairs.

## **AFFORDABLE HOUSING**

Chair: Steve Bellone, Supervisor, Town of Babylon

### **Introduction**

The need for affordable/workforce/next generation housing on Long Island has reached critical mass. According to the 2006 Long Island Index, the ratio of median home price to median family income doubled from an affordable (according to Fannie Mae) 2.5 in 2000 to a prohibitive 4.8 in 2005. Within a single year (2004-2005) nearly 40% more middle-income families reported difficulties paying their mortgage or rent. Rental units on Long Island comprise a mere 15% of the housing stock compared to 40% nationwide at rates that are out of reach for half those renting.

According to the US Census Bureau, the population of 20 to 34 year old Long Islanders declined by 128,000 during the 1990's. Between 2000 and 2004, that same group declined by 65,000 people. Thus, the rate at which Long Island is losing its young people is accelerating. According to the Long Island Index, a recent poll revealed that 53% of 18 to 34 year olds have considered leaving Long Island. The high cost of living and lack of affordable housing is not only jeopardizing our future, but also shutting out those who wish to pursue opportunities here today. The current housing crunch is threatening to undermine one of the critical elements of Long Island's competitiveness, a diverse and educated workforce.

The principle barriers to affordable housing are well documented. First, while the public is increasingly receptive to the idea of affordable housing, resistance continues when it comes to breaking ground in their neighborhoods. Second, higher density development which is critical to reducing housing costs is rarely supported

by the public. Third, infrastructure that supports higher density development is lacking in many areas. Fourth, though some regulatory processes have been streamlined, many regulatory codes, zoning and sanitary for example, remain burdensome, inadequate, and exclusionary. Fifth, although some sites have been identified as good locations for affordable developments they are, in fact, very difficult to build.

In the meantime, growing numbers of advocates and municipalities have answered the call. Aligning and coordinating their efforts will act as a force multiplier, greatly enhancing the prospect for increasing the availability of affordable housing throughout Long Island. Whether it is called by the term affordable, workforce, or next generation housing, the need is documented and undeniable. The following constitutes the short term and long-term recommendations of the subcommittee on Affordable Housing:

## **THE FIRST TWO YEARS**

### **Action Item #1: Education About Housing Needs**

The lack of education on the affordable housing issue was the number one concern of the sub-committee. Getting a consistent, accurate message out to elected officials, funders, residents, institutions (i.e. school districts) and the business community is a top priority and the following is recommended:

- Identify various affordable housing advocacy groups under a single umbrella organization that can help coordinate their efforts.
- Identify funding streams to support this effort.
- This umbrella organization should be created and organized under the leadership of an existing, credible Long Island organization such as the Long Island Association or the Long Island Housing Partnership.
- Create unified presentations and deliver a consistent message across Long Island.
- Reach out to decision makers, community members and institutions at all levels, including school boards, PTA's, civic associations, fraternal organizations and fire departments.
- Identify credible presenters and forums.
- Prepare advance notice and identify groups to come out in support of affordable housing applications on the local level. A concerted effort should be made to identify individuals who will come out to support applications proposed for their particular neighborhood.

### **Action Item #2: Zoning**

Revisions to local zoning codes are critical to the creation of affordable units. The following were recommended:

- Draft accessory apartment ordinances accompanied by a tax amnesty for existing unsanctioned apartments; including a mechanism to bring apartments up to code. Encourage accessory apartment ordinances in municipalities where none exist.
- Mandate affordable units as part of all residential, multi-residential, and mixed use developments
- Permit higher density and/or mixed use development in downtowns, on major roadways and underutilized sites (greyfields).
- Develop standards for creating infill 'cottage' housing on undersized lots, creating smaller units for first-time homebuyers and senior citizens.
- Develop design standards for higher density developments and mandate good design.

- Finally, many saw the single story commercial “taxpayer” buildings often found at the edges of downtowns as a most inefficient use of land. To counter such development the following was recommended:
  - Encourage apartments over stores in downtown areas through code modifications or overlay districts.

### **Action Item #3: Site Identification**

To identify and promote suitable sites for development the following were recommended:

- A percentage of all developments must be set aside for affordable housing, including higher-end developments.
- Downtowns and hamlet centers, major roadways and underutilized sites (greyfields) are ideal locations for higher density housing with an affordable component and should be encouraged. Development in these areas would not only provide much needed affordable housing but would also serve to strengthen downtowns and enhance unattractive commercial corridors that are now filled with gas stations, used car lots, fast food restaurants and strip malls.
- Scattered sites and infill development should be considered affordable housing opportunities.
- Identify and promote homeshare/co-housing services that, among others, connect seniors with affordable housing options and older home-owners with single adults in need of affordable apartments.

### **Action Item #4: SUSTAINING AFFORDABILITY**

Once an affordable unit is created, it is important to keep it affordable as long as possible, through generic, relatively simple criteria. Additionally, in the era of rising energy prices, affordability and sustainability are becoming synonymous. Accordingly, the following is recommended:

- Develop criteria for sustaining affordability even beyond subsidy requirements.
- Create a basic resale formula that can be used in all cases.
- Encourage all communities to agree to a single standard for affordability, i.e. HUD median income limits.
- Assess affordable housing opportunities in each town – housing stock database.
- Create revolving affordable housing funds in each town.
- Push for more employer-assisted homeownership programs.
- Incorporate affordable green building techniques into residential, multi-residential and mixed use buildings in order to reduce carrying costs.

### **Action Item #5: INCENTIVES**

Incentives are necessary to encourage affordable developments. The following are recommended:

- Expand upon existing fast-track review and approvals at the local and county levels.
- Offer density bonuses based on location, number of units, and innovative/superior design.
- Reduce administrative fees for affordable developments.
- Work with the next Albany administration to develop New York State pension funding for workforce housing.

- Reduce parking requirements when shared parking is available (i.e. municipal and Long Island Rail Road station lots). Reevaluate infrastructure requirements, i.e. wastewater, when planning for affordable, smaller, residential units.

## **THE TEN-YEAR AGENDA**

### **Action item #1: PROPERTY TAX REFORM**

Property taxes are a greater burden for the lower income, “affordable” homeowner and renter. In addition, the most significant opposition to affordable housing projects often comes from residents who are concerned about rising school property taxes. Any reform that reduces the school tax burden on local taxpayers will have the added benefit of reducing local opposition to affordable housing projects. The following are recommendations for long term reform:

- Press for greater portion of school district funding from NYS rather than local property taxes.
- Explore funding schools through income or sales tax rather than property taxes.
- New York State incentives to encourage district consolidation for greater economies of scale.

### **Action item #2: MASS TRANSIT ENHANCEMENTS**

After housing, car ownership is often a household’s largest expense. Expanding mass transit would enable some households to have only one car, thereby reducing costs, fuel emissions and vehicular traffic. The following are mass transit recommendations:

- Expand Long Island Rail Road capacity – add a third track, additional stops and scheduled trains.
- Promote and implement transit-oriented development (TOD) which includes higher density development.
- Create strategic transit hubs throughout Long Island.
- Develop north/south links and expanded bus routes and schedules.
- Study linking Long Island communities with light rail along major traffic corridors.

### **Action item #3: INVEST IN INFRASTRUCTURE**

Higher density development requires additional infrastructure. In order to ensure growth in appropriate locations, investment in infrastructure is necessary. The following are infrastructure recommendations:

- Extend existing sewer systems; create new ones where appropriate, such as in downtowns and transit hubs.
- Improve critical roadways.
- Continue open space preservation.

### **Action item #4: SUSTAINABILITY**

Sustainability is economic growth that protects communities and the environment. It is an important concept to consider when planning for Long Island’s future. The following are recommendations for sustainable development:

- Build upon successful sustainable initiatives.
- Offer tax credits for rehabilitating with energy efficiencies.

- Incentivise green building in new developments.
- Continue to reclaim and redevelop brownfields.

### **Action item #5: EDUCATION FOR THE LONG-TERM**

Education is a continual process that is critical to understanding the necessity and benefits of creating housing affordable to Long Island's future generations. The following are long term educational recommendations:

- Conduct studies of existing affordable housing projects on Long Island that demonstrate the actual number of school age children coming out of these projects. Demonstrate through these studies that multi-residential housing, when done correctly, will produce less school age children than single family homes on the same property.
- Conduct studies of existing affordable housing projects on Long Island that provide a cost/benefit analysis of multi-residential projects as compared to single family homes. Demonstrate through these studies that multi-residential housing, when done correctly, will produce more net revenue for local taxing jurisdictions than single family homes on the same property.
- Expand upon short-term educational successes.
- Continuing to reach out to all levels of the community on this issue.
- Inform school districts about the benefits to a student that comes from a decent apartment vs. a student from a substandard home. *Since some municipalities already have affordable housing stock within their boundaries that is not accounted for, the following was recommended:*
- Develop a housing stock database in tandem with county/town clearinghouses. Such a database would clearly identify the amount of affordable housing in each community and could increase pressure to build in areas that have limited affordable housing opportunities.

## **CREATIVE CLASS/QUALITY OF LIFE**

Chair: Laura Savini, Vice President, WLIW21

### **Introduction**

Ahhhh. Long Island. The seemingly endless coastline, the parks, the vineyards, the shopping. . . Who wouldn't want to live here?

The young people, that's who. Younger people who form the creative element of growing and entrepreneurial companies. Younger people who are now known as The Creative Class.

According to a recent New York Times article, young adults are leaving Long Island, especially Nassau County, at an alarming rate. Creative young adults leave for a few reasons: the bright lights of the big city and the promise of professional and cultural opportunities; the high cost of housing and raising a family here; the promise of an easier life in another region.

Perhaps the hard truth may be difficult for some to face but once young people experience working or living in Manhattan, they sense the New York City perception of and attitude toward living on Long Island. Our Island has an unfair and inaccurate image—except for The Hamptons. Manhattanites see Long Island as strip malls, the Long Island Expressway, and most importantly, a dearth of culture.

We know better. Now we have to show the young creative class that Long Island is a place to thrive, to raise a family, and to be inspired.

## **THE FIRST TWO YEARS**

### **Action item #1: Research**

For starters, commission a case study on the borough of Brooklyn. Long Island studying life in Brooklyn? Yes. During the last decade, young creative adults have swarmed Brooklyn. Galleries, fine restaurants, and boutiques open frequently. An artist community, DUMBO, was one of the leading factors in drawing young people, then businesses, to this now growing area. Despite the high cost of housing there, the community continues to thrive. We can do the same for Long Island.

### **Action item #2: *Discover Yourself...Here!***

Develop and implement a public relations campaign directed at young adults ages 16 to 35, encouraging them to develop their strengths on Long Island. Our first take on this campaign slogan is:

- *Discover Yourself...Here!*
- Noteworthy Long Islanders in different fields would be highlighted along with the subheads:
  - Discover the Leader in you (T. Roosevelt)
  - Discover the Musician in you (B. Joel)
  - Discover the Scientist in you (Dr. Watson)

### **Action item #3: Not Your Father's Job Fair**

Produce an on-air and on-line job fair highlighting the cream-of-the-crop companies and jobs available in the creative fields on Long Island. This can be based on the model that generated world-wide publicity when produced by WLIW approximately seven years ago.

### **Action item #4: Long Island National Creativity Fair**

Host an annual "Long Island National Creativity Fair" (working title). At this event, master classes would be taught by Long Island's elite artists, interactive lectures given by leaders in the fields of computers, filmmaking, new media, etc. Companies with job openings would be represented. Most importantly, the creative class would be exposed to successful Long Islanders, leaders in the fields in which they are interested. They can ask questions, get advice, become inspired. There also would be a "trade show" component" at which related vendors, banks, etc. could meet with the attendees.

### **Action item#5: Mentoring Program**

As an offshoot of the Creativity Fair, a mentoring program can be established that matches promising talent with some of the successful artists on Long Island to further develop their talent and grow roots.

### **Action item #6: Friendraisers**

A series of “friendraisers” should be hosted, places where young professionals network, not for the purpose of dating but for the sharing of ideas, creating more a salon atmosphere. These strategically situated events would draw from the different regions of Long Island.

### **Action item #7: Downtown Centers**

Utilize locations like the libraries, colleges, and malls Island-wide as “downtown” centers, providing young people with a place to show their art, discuss and congregate in an organized, sophisticated manner. Engage companies like Starbucks as a showplace for local artists and musicians, providing them with much needed exposure.

### **Action item #8: Showcase Long Island**

Show off Long Island! The weekly program “Ticket,” on WLIW already highlights the artists, cultural events, and food of Long Island. The venue is already established. The content is readily available. With a marketing campaign to the right audience, young creative people can be exposed to and inspired by all that Long Island has to offer. Developing an archival web-based component to “Ticket” would create an ongoing database of cultural opportunities on Long Island.

## **THE TEN-YEAR AGENDA**

### **Action item #1: Downtown Housing**

Replicate the downtown centers that have developed in Huntington, Bay Shore, and Port Jefferson. These areas offer galleries, meeting places, apartment dwelling, that are attractive to young creative adults.

### **Action item #2: Target Middle and High School Level Students**

Develop a program on the middle and high school level to generate loyalty to Long Island and an interest in putting down roots here.

### **Action item #3: The Creative Class Clearinghouse**

Develop a website clearinghouse that offers information on networking groups, art institutions, performance and art spaces, grant and research opportunities, etc.

### **Action item #4: Recruitment for Long Island Colleges and Universities**

Recruit young people from outside of Long Island to attend colleges on Long Island, developing a base of new, young, creative people. This will also generate more diversity in ideas and backgrounds.

### **Action item #5: Market Long Island**

Continue to market Long Island’s recreational opportunities: the sports fields, wildlife refuges, bike paths, museums, etc. These areas increase the quality of life for Long Islanders and often go underutilized.

## **EDUCATION**

Co-Chairs: Dr. Shirley Robinson Pippins, President, Suffolk County Community College

Patrick G. Halpin, Executive Vice President, Institute for Student Achievement

### **Introduction**

Excellence in and access to education are fundamental to maintaining the quality of life we all value on Long Island. The barriers to achieving this standard are varied and complex. They are difficult, but not impossible to address.

Education on Long Island, at all levels, benefits our citizens, their families, their communities and the region. An educated workforce begins with pre-school and continues throughout a person's lifetime.

We know that there is a desperate need for a skilled workforce. Education in the broadest sense of the word is the key to developing this workforce. Long Island's businesses cannot grow without the support of schools, and schools cannot provide appropriate skills to future employees without the first hand knowledge of business owners' and managers' wants and needs. It is vital that area businesses partner with schools (pre-school through 16) to create the highest quality workforce with the most productivity.

It is equally important that funding formulas for public education be revised. If the funding formula does not change, students attending Long Island public schools will lose out on exposure to career opportunities, electives, training opportunities, and further the brain drain.

### **THE FIRST TWO YEARS**

### **Action Item #1: Reversing the Brain Drain: Partnerships with Business**

Facilitate and support strong partnerships with a business “buy in” to encourage businesses to connect with schools serving young children (i.e., learn in a business setting; develop summer internships for faculty (Kindergarten through 16); and develop business camps hosted by businesses).

### **Action Item #2: Business connection**

Business leaders must connect with educators in order to help educators develop the curricula that will prepare the future workforce.

### **Action Item #3: Career Education Programs**

Develop, support and implement comprehensive career education programs throughout the K–16 system, which means keeping electives in school curricula; requiring students to take Career and Technical Education courses; and mandating school-business advisory boards.

### **Action Item #4: Consortium**

Create a consortium of higher education and industry partners for seeking federal, state, and foundation funds for targeted projects in privacy, security, life sciences and biotechnology, incorporating career education (i.e., parent education, pre-school education, English as a Second Language, teacher professional development, strategic planning and management development).

### **Action Item #5: Awareness Campaign**

Develop and implement awareness and marketing campaigns to support education, including English as a Second Language.

## **THE TEN-YEAR AGENDA**

### **Action Item #1: Create a Long Island Science and Mathematics High School**

Many Long Island high schools have advanced programs in science and mathematics, but not all do. Recently, the State funded the creation of a high dedicated to science in the Capitol District area of upstate New York. Long Island should have a similar program. It should not be designed to remove talented students from high schools that already have excellent science and mathematics programs, but to provide a leading-edge alternative for those students whose science and mathematics talents can be fully developed only with a dedicated curriculum.

### **Action Item #2: Reform the State Education Aid Formula**

Reform the State Education Aid formula to provide additional aid to high cost regions accounting for regional cost differences and recognizing regional wealth factors when determining “ability to pay;” additional funds to high need districts; targeted property tax relief; and two year educational budgets to enable multi-year planning.

### **Action Item #3: Adequate Funding for Community Colleges**

Require that State and local sponsors of community colleges meet their legally mandated level of funding (1/3, 1/3, 1/3).

### **Action Item #4: Create Distinctive Educational Programs**

Working through a partnership of educators and business people, secure federal and state funding to support distinctive educational programs that would attract talented young people from around the country. Campus housing would be necessary to house those students and program participants.

### **Action Item #5: Critical Language Institutes**

In the global marketplace in which Long Island must be competitive, language skills will be critical important. Long Island should establish programs to improve educational opportunities, and teacher training, in such languages as Chinese.

### **Action Item #6 A Long Island Imprint**

We should create educational programs that highlight the uniqueness of Long Island. Programs to serve parents, business and industry, the community and students such as summer institutes for math, science, social sciences; technology; arts and design; work-study in fields important to the regional economy; and international exchange programs with countries essential to regional and national interests.

### **Action Item #7: Expand School of Nursing faculty in Order to Increase Nursing School Class Size**

The region and the country are in the midst of a nursing shortage that is expected to intensify as baby boomers age and the need for health care grows. Compounding the problem is the fact that schools of nursing are struggling to expand enrollment levels to meet the rising demand for nursing care. Long Island schools of nursing turned away many qualified applicants from baccalaureate and graduate nursing programs due to insufficient number of faculty, clinical sites, classroom space, clinical preceptors, and budget constraints. Many area hospitals have developed linkages with area schools to increase the pipeline of nurses entering the field. Some have paid their senior nursing managers to facilitate career transition from the bedside into the classroom, but more needs to be done. Long Island needs additional federal and state funding for faculty development programs, identify strategies to address the shortage, and focus media attention on this important issue. Incentives need to be created to those entering the nursing profession and for schools of nursing to expand their programs.

## **K-12 COSTS, OUTCOMES, FUNDING**

Chair: Dr. Gary Bixhorn, Deputy Superintendent, Eastern Suffolk BOCES

### **Introduction**

Public education may be the most significant economic, social, and cultural force on Long Island. It is an \$8 billion enterprise that shapes the future of nearly half a million students annually. Among the 125 public school

districts that deliver programs and services to these students, there are vast differences in terms of economic capacity and student demographics.

Given the size and complexity of the system, it is difficult to generalize. However, a review of achievement, financial, and demographic data has enabled the Subcommittee on K-12 Costs and Outcomes (Subcommittee report appended) to identify “20 Key Facts About Education on Long Island”.

The facts identified by the Subcommittee paint a picture of an educational system that is meeting the needs of its students and operating at a cost that is “in line” with the statewide average but is disproportionately dependent upon local property taxes. Even though the median per pupil cost of education, after adjustment for regional cost differences, is 7% below the state median, the property tax burden (measured as a percentage of gross household income) of Long Islanders is 20% greater than New Yorkers in general.

The findings also indicate that there are discrepancies in student performance between wealthy and poor districts. The averages, which indicate that Long Island students outperform students from every other region of the state, tend to mask these very real differences that need to be addressed.

Based upon these findings, the Subcommittee believes that greater state support for our schools is necessary to address the tax burden and performance gap issues. Along with this need for more funding, the existing system of allocating funds between school districts is widely recognized as dysfunctional and requires reform. The formulas that were created to assure that funds would track wealth and needs have not been allowed to “run” for many years. Artificial caps were added to the formulas and even the “old” regional shares were frozen at a level that no longer reflects student enrollment patterns. Most recently, the formulas were abandoned and annual percentage increases have been negotiated.

All of this leads us to conclude that the system of financing education in the State must be reformed; and in order to serve the needs of all children in New York State including the children of Long Island, certain regional priorities must be addressed within the context of reform. These priorities, which are outlined in Action Item #1 below, reflect the needs of Long Islanders and they must be considered as part of a statewide plan to address the Campaign for Fiscal Equity (CFE) decision.

## **THE FIRST TWO YEARS**

### **Action Item #1: Provide property tax relief to Long Islanders.**

The State must direct significantly more state aid to Long Island schools. Long Islanders are suffering from taxpayer fatigue. On average, more than 3.7% of their gross household income goes to pay their residential school property taxes on Long Island, as opposed to just over 3.1% for all households in New York State (excluding NYC). In comparative terms, Long Islanders use an average of just under 20% more of their gross household incomes to pay their residential school property taxes than New Yorkers in general.

### **Action Item #2: Significantly increase state aid to education in New York State.**

The most current data available (2003) indicates that the national average state share of education funding is 48.7%. The New York share is reported at 45.6% with STAR payments included. The Long Island educational community has maintained that while STAR provides tax relief to certain residential property owners, it is not state aid to school districts. In order to increase the State share to the national average, without including STAR (\$2.7 billion), aid to schools should be increased by an amount equal to STAR plus an additional \$1.2 billion.

**Action Item #3: Recognize differences in school district needs as determined by demographic, achievement, and wealth data.**

Analysis of district wealth and achievement data indicates that significant performance gaps exist on Long Island. Those gaps should be a more important factor in the allocation of state support.

**Action Item #4: Recognize regional cost differences in the operating aid formula, as well as all other non expense-driven formulas.**

This should be done in a meaningful manner utilizing the professional cost index developed by the State Education Department. Also, it will be important for the State to continually maintain and update this index. A dollar upstate (North Country Labor Force Region) is worth only \$.66 on Long Island.

**Action Item #5: Guarantee every school district in New York State a minimum “state share” of revenue.**

The number of school districts on Long Island that received less than 10% of the total revenue from state aid in 2003-04 was 39; this was equal to 53% of the 74 districts statewide with less than 10% of total revenue from state aid (NYSED FARU, 2004).

Another 55 Long Island school districts received between 10% and 30% of their total revenue from state aid; this was equal to 39% of the 140 districts statewide with between 10% and 30% of their total revenue from state aid (NYSED FARU, 2004).

The average “local share” of revenues for Long Island in 2003-04 was 64.7%; the remaining revenue sources were State Aid (24.4%), STAR (8.4%), and Federal Aid (2.5%) (NYSED FARU, 2004).

## **THE TEN-YEAR AGENDA**

**Action Item #1: Multi-Year State Aid Appropriations**

Introduce multi-year state aid appropriations to provide an enhanced ability to plan and provide greater stability to the school district budget process.

**Action Item #2: Simplify State Aid Formulas**

Consolidate and simplify the State education aid formulas to eliminate small categorical aids and make the allocation system understandable.

**Action Item #3 At a Minimum, Guarantee Proportional State Aid**

The finance system needs to be reformed and these regional priorities should serve as the basis of reform. However, in the absence of true reform, and if these priorities are not recognized, the share (12.7%) of state aid directed to Long Island should not be less than the percentage (16.7%) of the State's children being educated on Long Island. This alone would allocate an additional \$684 million to Long Island and provide some degree of tax relief (NYSED FARU, 2004).

## **SUPPORTING HIGHER EDUCATION**

Chair: Dr. Robert Allyn Scott, President, Adelphi University

### **Introduction**

Higher education serves many roles. It challenges the status quo, curates and preserves our heritage, and creates new knowledge through research, scholarship, and creative activity. The nineteen colleges and universities on Long Island enroll over 175,000 students, employ nearly 40,000 faculty and staff, spend over \$3.4 billion per year, and are projected to spend nearly \$600 million on capital construction in the next five years. All told, higher education is an essential part of Long Island's economic, cultural, and intellectual life, and an essential ingredient for sustainable communities.

In response to the Innovate Long Island request to suggest initiatives supporting higher education's role in a new economic development plan, the following near-term and longer-term initiatives were suggested. Some initiatives could be funded by a consortia of higher education institutions, some by institutions and businesses working together, and some by new state support. The initiatives represent those that can be started in the near-term and longer-term, and represent those with both near-term and longer-term impact.

### **THE FIRST TWO YEARS**

#### **Action Item #1: Quality and Diversity**

Promote the quality and diversity of higher education and training on Long Island.

#### **Action Item #2: Long Island Employment Opportunities**

Promote the quality and diversity of career opportunities on Long Island by preparing profiles of employment opportunities available to people with varying levels of education and training.

#### **Action Item #3: Career Education Programs**

Support a state-funded work-study and internship program which would introduce young students to career alternatives starting in the middle school years.

#### **Action Item #4: Funding for Targeted Programs**

Encourage the creation of a consortium of higher education and industry partners for seeking federal, state, and large foundation grants for targeted projects such as privacy, security, life sciences and biotechnology, computer forensics, etc.

## **THE TEN-YEAR AGENDA**

### **Action Item #1: Linking Higher Education and Public K-12 Schools**

Support grants for higher education to work with public schools on issues of teacher professional development, curriculum development, strategic planning, and management development, all of which would assist the region in economic development by making schools more attractive and assist higher education in developing the enrollment “pipeline.”

### **Action Item #2: Scholarship Program for Science, Mathematics, Technology**

Create a scholarship program for students to study math, science, and technology at the post-secondary level.

### **Action Item #3: Summer Institutes for Science, Mathematics, Technology**

Support the creation of summer institutes for math, science, technology, and foreign languages for middle school students, incorporating career education.

### **Action Item #4: Summer Institutes in the Creative Arts**

Support the creation of summer institutes for middle school students in arts and design, incorporating career education.

### **Action Item #5: Making Long Island a College Destination**

Support an initiative to make Long Island a destination for college-going by creating a state-funded challenge grant for post-secondary institutions to create distinctive programs and more campus housing.

## **EDUCATION-EMPLOYER CONNECTION**

Chair: Cheryl Davidson, Executive Director, Long Island Works Coalition

### **Introduction**

Collaborative relationships between business and education are essential to developing and maintaining a highly educated and skilled workforce. Those collaborations allow students, parents, and educators to better understand the skills needed in the future workforce, as well as the career opportunities available in the region. Education-Employer connections build relationships between employers and schools, and they also connect employers to their future workforce.

## **THE FIRST TWO YEARS**

### **Action Item #1: A Career Plan for Every Child**

Every child should have a career plan. As early as kindergarten children can begin to develop career awareness and explore jobs that interest them. By grades 6 to 8 children can develop a career portfolio; and by grades 8 to 12 they can be involved in ongoing activities, such as internships and work-study. To accomplish that, Long Island should:

- Advertise computer sites with career information (ie. Career Zone) for school and home use to students and parents.
- Develop a Long Island comprehensive job bank/database that is free.

### **Action Item #2: Entrepreneurial / Skill Sets**

Require entrepreneurial classes and integrate entrepreneurial skill sets across the K-12 curriculum. Long Island might follow the Michigan model, in which all students must pass an online course in 21<sup>st</sup> Century Careers. To further develop entrepreneurial skills, we should develop after school entrepreneur career clubs.

### **Action Item #3: Incentives for Employers and Students**

Give business an incentive (i.e. tax credit) to implement programs that connect to the schools. Give students reduced tuition for completing mathematics and science majors.

### **Action Item #4: Involve Business People in Schools**

Students, even young students, should be exposed to business and business people at an early age, and continuously through their K through 12 experience. Business people from the local community should be brought into the schools to talk to students and their parents in formats that encourage career exploration. Business people, as the “end users” of the educational system should be closely involved in helping schools develop curriculum in their areas of expertise, including the creation of new courses at the higher education level. Businesses should offer externships for teachers to enable them to better understand, and teach, the future needs of employers. And, finally, more businesses should organize and host summer business “camps” such as the one hosted by Commerce Bank.

### **Action Item #5: Mandate School-Business Advisory Boards**

The State Education Department should require all school districts to organize and support advisory boards that permit employers to connect to their local school districts.

### **Action Item #6: Keep Electives in School Curriculum**

While the trend toward uniform testing may improve educational outcomes in some places, elective courses that help develop the wider range of many students’ talents should be allowed to diminish. Additionally, all students should be required to take some form of CTE course, a practice that has been successful in other states.

## **THE TEN-YEAR AGENDA**

## **Action Item #1: Successful Careers Marketing Campaign**

We should create a marketing campaign that highlights successful models of collaborations, such as the best and most active School – Business Advisory Boards, as well as the many opportunities that exists to create a business, and pursue varied careers, on Long Island.

### **RESEARCH**

Co-chairs: Hans Zobel, President & CEO, Festo Corporation

Dr. Yacov Shamash, Vice President, Stony Brook University

### **Introduction**

Long Island already is a major research hub in the United States and we need to get that message out more effectively, using the region’s existing research and development capability to demonstrate it. Our region is blessed with a diversity of world-class research institutions, an abundance of leading technology companies, an extraordinarily talented and productive workforce, and systems of education from pre-K through graduate school to sustain the talent pool. Our challenge is to rally these resources to keep renewing the flow of innovation and keep it moving toward commercialization here, retaining the economic assets that result from success.

These recommendations envision a three-part strategy: first, continuing to support and develop Long Island’s research infrastructure; second, mobilizing the region’s research and industrial communities around Big Ideas that will solve critical regional problems while spawning new technology products and services that will generate big economic returns; and third, aligning all of the key regional forces in pursuit of these critical goals.

## **THE FIRST TWO YEARS**

**Action Item #1: Monitor and support innovation initiatives already underway (facilities in existence or operational in no more than 2-3 years)**

- **Center for Functional Nanomaterials (CFN), Brookhaven National Laboratory**

One of five nanoscale science research centers established around the country by the U.S. Department of Energy, its mission is to provide state-of-the-art capabilities for the fabrication and study of nanoscale materials, with an emphasis on atomic-level tailoring to achieve desired properties and functions, particularly with regard to selected energy applications. As a science-based user facility, it will develop strong scientific programs while offering broad access to its capabilities and collaboration through an active user program. It will be a key focal point and enabler of advanced materials study in the northeastern United States. Construction of the facility began last year and the steel framework was “topped out” in spring, 2006.

- **New York State Center of Excellence in Wireless and Information Technology (CEWIT), Stony Brook University**

The only one of New York's five Centers of Excellence in the downstate region/ metropolitan New York area, CEWIT's mission is to keep New York at the forefront in the next wave of the ongoing IT revolution, wireless technology. Four multidisciplinary R&D divisions address networking, device and communications and software needs, as well as the infrastructure and applications/systems needs of the largest and most dynamic sectors of the U.S. economy - healthcare, transportation and e-commerce. Construction of the CEWIT facility will begin in the Fall, 2006, as the first building on the University's recently-acquired 245-acre Research and Development Park adjacent to the campus.

- **New York State Science Technology and Academic Research Center in Biomolecular Diagnostics and Therapeutics, Stony Brook University**

The mission is to provide the epicenter of discovery-based research and technology development in the areas of gene discovery, drug design and delivery, functional genomics instrumentation, and smart micro- and nano-based biomaterials and biosensors. Groundbreaking is expected this fall in coordination with the Center of Excellence.

- **Cold Spring Harbor Laboratory program initiatives in Cancer, Neurobiology, Bioinformatics**

Through programs in Gene Expression Cell Biology and Cancer Genetics, Cancer Center scientists are developing biochemical and genetic tools that will enhance understanding, diagnosis and treatment of the disease. Recognizing that understanding cognition and brain function is one of the great problems facing biological scientists in the next 100 years, the Laboratory effort in neurobiology has molecular, cellular, physiological and behavioral aspects that surround a unifying theme of neuronal plasticity underlying learning and memory processes and neurodegenerative disease. The sequencing center at Cold Spring Harbor performs high-throughput sequencing of several organisms, including the flowering plant *Arabidopsis thaliana*, the fission yeast *S. pombe*, and homo sapiens while bioinformatics researchers are developing novel analytic software, databases, and user interfaces for the management, manipulation and mining of genome data.

- **Advanced Energy Research and Technology Center**

Promote multidisciplinary multi-institutional research-industry public-private collaboration fostering innovation to enhance efficiency of conventional energy technologies in the short term and to commercialize alternative energy technologies affordably in the medium to long term, with the overall goal of providing reliable, economical and plentiful sources of energy generation, transmission and distribution for Long Island's future. The Center will be based at Stony Brook and will collaborate with programs at Farmingdale State, Polytechnic University, Long Island University, NYIT, SUNY Maritime, as well as Keyspan and many other regional industry partners. The Center will begin operation in a facility lent by Keyspan in the Fall, 2006.

- **Long Island's Centers for Advanced Technology**

Support the programs and initiatives with particular importance for Long Island industry of our region's New York State Centers for Advanced Technology: Polytechnic University's Center for Advanced Technology in Telecommunications and Distributed Information Systems (CATT), with its industry-driven R&D programs in Wireless Networks, Network Security, and Network Applications, and its Industry-University Cooperative Research Center, the Wireless Internet Center for Advanced Technology, with emphases in Cooperative Networks, Low-power Terminals and Applications; and Stony Brook's Center for Medical Biotechnology, which has helped quadruple the size of Long Island's life sciences industry sector, and Center for Sensor Systems, which received a CAT Development Award in 2005 to develop high-efficiency, high-power electrically pumped semiconductor lasers.

- **The Feinstein Institute for Medical Research (North Shore-LIJ Health System)**

The Feinstein Institute for Medical Research is an integral part of the North Shore-LIJ Health System and was created to facilitate disease-oriented basic and clinical research moving discoveries from the laboratory to the bedside. Through its connection to the largest health care system in the region, the Institute bridges the gap between biomedical research and patient care, accessing hundreds of thousands of patients in the health system's hospitals, nursing homes, and outpatient facilities. The Institute has developed significant strengths in autoimmunity, neurodegenerative and neuropsychiatric disease, sepsis, rheumatoid arthritis, leukemia, human papilloma viruses and cancer. It is a regional focal point for collaborations between scientists, hospital clinicians and biotechnology companies. The Feinstein Institute is in the midst of a major expansion program adding 60,000 sf of research facilities and recruiting an additional 50 scientists.

## **MID-TERM GOALS – NEW RESEARCH PROGRAMS (2-5 YEARS):**

### **Action Item #1: Support and initiate new research and technical innovation projects**

- New York State Applied Science Center of Innovation and Excellence in Homeland Security. Long Island needs a \$25 million investment from the State of New York for a research center concerning technologies and applications needed to protect our country.
- Advanced Manufacturing Center. The committee supports this \$30 million initiative to create the nation's first advanced manufacturing center on Long Island. The Center would:
  - Train manufacturing engineers on machine tools, manufacturing processes and manufacture networking systems – “generation 2020.”
  - Permit entrepreneurs and Long Island companies to perform prototype and initial production runs (positive economic effect).
  - Combine these two applications for maximum economic benefit.

### **Action Item #2: Pursue major regional initiatives enabled by these critical new facilities, including:**

- Healthcare/biomedicine/biotechnology

- Enhance efficiency and sustain quality of healthcare through a comprehensive systems engineering approach for healthcare delivery and through development of new wireless and information technologies to facilitate information management.
  - Accelerate commercialization of translational research through enhanced pre-clinical development of new diagnostics, therapeutics, and biomedical devices, and non-regulated market applications of biotechnology products e.g., the walk through human diagnostic system.
- Wireless and information technology
    - Support new technology development for the “next wave” of the ongoing information technology revolution, particularly its advance beyond cellphones and wireless PDAs to an extraordinary range of embedded systems for consumer, industrial and defense markets.
    - Develop applications for these new technologies for the largest sectors of the U.S. economy, healthcare and transportation, for the financial services industry in which New York leads the nation, and for the burgeoning field of e-commerce.
  - Energy systems and technologies
    - Foster development of new technologies to maximize efficiency of power generation, transmission and distribution for conventional fossil fuel energy technologies
    - Pioneer basic research and R&D for new alternative energy technologies for safety, reliability and affordability. This supports Congressman Steve Israel’s “Next Generation Energy Security Initiatives.”

## **THE TEN-YEAR AGENDA**

### **Action Item #1: Organizational**

Align all the appropriate organizations on Long Island and drive them to a common statement/approach with regard to innovation and research.

### **Action Item #2: New Focus Areas**

Identify and mobilize opportunities to make Long Island a national leader in solving critical regional and national problems and commercializing their solutions for national/global dissemination, e.g., aquaculture, environmental technologies, transportation technologies; enhance technology effectiveness by addressing issues of safety/reliability/market acceptance throughout the R&D process.

### **Action Item #3 Better Connect the R&D Infrastructure to the K-12 Educational System**

Programs such as Cold Spring Harbor Laboratory's DNA Learning Center are very effective at exciting the interest and curiosity of young students in the kind of scientific research done on Long Island. Similar programs at the Island's other R&D facilities should be expanded and new programs created. Scientists and researchers from the region's major institutions and companies should be encouraged to visit schools to help interest students in science and technology.

## **INVESTMENT**

Co-Chairs: Patrick Foye, Chief Professional Officer, Long Island's United Way

Joshua Y. Horton, CEO, North Star Media Network  
Former Supervisor, Town of Southold

### **Introduction**

As a region seeking business investment, Long Island is operating in an intensely competitive, global environment in which capital and talent are mobile resources. Having a gross regional product of over \$120 billion, Long Island is a relatively mature, high cost and slow-growing economy which does not score highly on the traditional site selection criteria used by corporate site selection experts. Long Island and New York State have poor business climates and as a result we are often not competitive with our competition.

That lack of competitiveness is reflected in many ways: As the Rauch Foundation Long Island Index has reported, Long Island lags the nation in private venture capital investment and in federally funded research and development spending, in patent filings, and on an individual level Long Island is experiencing a severe brain drain of our young based in part on lack of opportunity due to laggard job creation, high cost of living and lack of affordable housing. Significantly, the growth in Long Island wages has lagged national wage growth by approximately 50% over the past 15 years suggesting that Long Island's job growth has been in lower paying jobs compared to the rest of the nation. Individual economic development programs are useful but an overall goal of Innovate Long Island should be to improve the competitive position of the region.

The Committee makes the following recommendations:

### **THE FIRST TWO YEARS**

#### **#1: Enact the DiNapoli/Balboni Bill**

Since lack of workforce housing is generally agreed as the most pressing issue hindering economic development on Long Island, and in light of the long lead time to build workforce housing, especially here on Long Island, as a first priority, the State Legislature should pass and the Governor should sign the DiNapoli/Balboni Long Island Workforce Housing Initiative bill. The bill would require, in general, that all future housing developments of more than five units built on Long Island include a 10% affordable housing component. The bill also would provide density bonuses for homebuilders. The DiNapoli/Balboni bill enjoys the support of the business and labor communities, all major

churches, and a wide variety of not for profit and academic and other organizations. It has been passed unanimously in the State Assembly three times and enjoys support from several Long Island State Senators and a number of State Senators elsewhere in the State.

## **#2: State Funding for Long Island Research Institute (LIRI)**

Created by Brookhaven National Laboratory, Cold Spring Harbor Laboratory, Stony Brook University, and North Shore-Long Island Jewish Health Systems, the Long Island Research Institute (LIRI) worked to transfer technology from basic research to private businesses by fostering collaboration between Long Island research institutions and local businesses and functioned as a conduit for funding and other resources required by local bioscience technology firms. Until 1998, the State had funded LIRI but the withdrawal of State funding resulted in the dissolution of LIRI and the end of its important efforts. A modest State investment of \$1,000,000 in a re-created Long Island Research Institute would yield substantial returns to both Long Island and New York State as a whole by encouraging investment in growth industries which provide higher paying positions and many support positions. Initiatives like the Long Island Research Institute would help address the lag in creation of high-paying jobs relative to the rest of the nation highlighted by the 2005 Long Island Index.

### **Action Item #3 Adequate Funding for Long Island's R&D Infrastructure**

Long Island has several major R&D projects in development, but unfinished. Those projects need funding from the State and Federal governments of a magnitude appropriate to their economic development importance. For example, several hundred million dollars has been invested by the State in nanotechnology and semiconductor R&D in the Capitol District. That kind of investment is needed on Long Island.

## **THE TEN YEAR AGENDA**

### **#1: Reduce State and Local Taxes**

State and local taxes and the effect government spending have on the cost of living and doing business on Long Island is a major obstacle to economic development here. As an example of what could be done, the Business Council of New York has proposed the elimination of the State corporate income tax on manufacturing. This may be of minimal benefit to Long Island but it is a step in the right direction and may lead to an overall reduction in corporate taxes or an effort to target reductions for significant industry clusters in a particular region.

The largest portion of local taxes goes to education and the entire process of funding public school education needs to be analyzed and improved. The disparities in funding between and among Long Island school districts are well-known and the fact that a particular business or asset is in one school district results in commercial assets supporting individual districts; a County-wide sharing of commercial property tax revenue should be considered.

### **#2: Zoning and Permitting**

Long Island has a multiplicity of local government entities, many of which have taxing and zoning powers. The land use and permitting process has become slow, cumbersome, and unwieldy. Even large, influential developers and businesses seem powerless to move development transactions along. The result is to delay development and investment, to raise the cost of doing business on Long Island, and to lower investment returns on Long Island. The Committee believes that the State Legislature should review planning on Long Island to determine whether the

development, infrastructure and economic growth needs of the Island's population are being met. We believe that upon completion of such a review, the State Legislature should consider using its constitutional authority to require regional planning and place various development goals/requirements upon local municipalities to insure those goals are being met. The State could take a page from certain federal funding formulas, which reduce or eliminate funding for certain federal programs unless certain requirements are met.

In the short term, the Committee believed that local Towns and Villages should be encouraged to implement on-line tracking of permit and zoning applications and to develop inter-governmental one-stop permitting application packages and processing. In addition, processing and decision deadlines should be rigidly adhered to.

### **#3: Reform of Worker's Compensation, Unemployment Insurance, Healthcare, and the Wicks Law**

The costs to Long Island employers of workers' compensation, unemployment insurance, and healthcare are significantly greater than the national average and greater than those areas competing against Long Island for investment. All of these have been identified over many years as being significant problem areas that need to be reformed. The Wicks law contributes significantly to the cost of public and other construction, and should be amended or repealed.

### **#4: State Funding for the Long Island Partnership**

The Long Island Partnership was created in 1991 to attract and retain business and employment on Long Island and to create one point of contact with existing and potential businesses for Long Island's two counties and five of our towns which have Industrial Development Agency and other towns and cities with economic development offices. Following the Long Island Lighting Company (LILCO) acquisition in 1998, funding for the Partnership fell substantially and the Long Island Association initiated discussions that led to rejuvenation of the Partnership. Today, however, the Partnership operates on a sub-optimal budget and State funding of \$2 million annually would enable the Partnership to more effectively retain and attract business and investment on Long Island, which would benefit the State government through increased tax revenues.

### **#5: Tax Increment Financing (TIF)**

Many states have effective tax increment finance laws that serve as important tools for financing infrastructure costs related to urban redevelopment projects. While New York has a Tax Increment Financing law, it is virtually ineffective because it prohibits the school portion of real property taxes from being dedicated to paying for Tax Increment Financing bonds. The law needs to be changed to allow the school component of real property taxes to be used for this purpose with the support of affected school districts.

### **#6: Workforce Development**

A skilled and productive workforce provides a significant competitiveness advantage. The public sector and academic programs that provide workforce development need to be expanded and better coordinated with the business sector.

## **#7: Empire Zones**

Empire Zones have proved useful but the State is constantly changing the rules and regulations that apply to them. Investors need the assurance that programs and commitments will be continued and respected. This uncertainty has significantly hurt the program and the State needs to demonstrate stability and long-term commitment to the program. In addition, where a business is applying for a zoning change and designation of Empire State status, the State should grant Empire Zone status contingent on and prior to the local municipality acting on the zoning change thereby accelerating the process and demonstrating the State's commitment to the proposed project.

## **# 8: Industrial Development Agencies**

In general, Industrial Development Agencies are prohibited from providing assistance to retail projects. It would be helpful if this restriction were modified to allow Industrial Development Agencies to assist retail businesses in downtown areas, which would assist in the revitalization of struggling downtowns in both Counties.

## **ENERGY**

Chair: Patrick Foye, Chief Professional Officer, Long Island's United Way

### **Introduction**

Demand for electricity on Long Island continues to grow at rates in excess of those projected and there is continued need to ensure that there is reliable supply that can meet those needs. For instance, the peak-hour electricity demand in the summer of 2006, one measure of growth in demand, increased by fully 10% over summer peak hour demand in 2005.

As demand continues to grow, the rapidly rising cost of fossil fuel in the form of oil and natural gas has had a significant impact on the Long Island economy. It has affected every aspect of our lives ranging from the cost of running our households, to transportation costs, to the cost of conducting business. Long Island is already considered a high cost area to live and conduct business and these increasing costs will only worsen this situation.

We therefore need a plan that is designed to mitigate these rapidly rising fuel costs and keep Long Island's economy robust. The committee believes that there are near term action items that could be undertaken that could address certain of these concerns. Specifically, these items are designed to help mitigate the impact of rising fuel costs on wholesale energy supply, as well as to focus additional attention on energy conservation and energy-efficiency tools to enable both business and consumers to use energy more cost effectively, and as a by-product, potentially create new industry for the region.

## **THE FIRST TWO YEARS**

### **Action Item #1: State tax credits for alternative energy**

The New York State Senate has passed legislation (S785-A) to provide state tax credits of 45-50% for businesses investing in solar, wind, and fuel cell technologies. This applies to businesses not substantially engaged in the commercial generation, distribution, or transmission of energy. Many industrial/commercial facilities on LI have flat roofs, unobstructed by trees or other buildings that are ideal platforms for solar photovoltaic systems. These systems are not currently cost-effective. The federal government already has in place a 30% tax credit for businesses that install solar systems. If New York State adopted this legislation, the combination of the federal and state tax credits would significantly change the economics of alternative energy investments by businesses and could spur investment in solar photovoltaic system.

### **Action Item #2 Make Energy Star Standards the Law**

Residences built to Energy Star standards use 30% less energy than housing built to current New York State building codes through the use of better insulation, high performance windows, and more efficient appliances and HVAC systems. The increased cost per residence is estimated to be \$0 to \$5000 to meet Energy Star standards. The homeowner saves money from day one because the annual energy savings exceeds the annual increase in the cost of financing the incremental cost of meeting Energy Star standards. Building codes are under the jurisdiction of Town governments, which have the authority to establish standards that exceed the state's minimum requirements. The State should adopt Energy Star standards into the State's minimum residential building code, and Long Island's towns should adopt Energy Star standards on a phased- in basis.

### **Action Item #3: Siting New Power Plants: Re-Enact Article 10**

In order to facilitate meeting future demand and the primary energy goal, the Legislature should pass and the Governor sign a bill reinstating Article 10 enabling a state siting process which supersedes local zoning. Long Island's demand for electricity continues to grow at a rate in excess of increases in population and economic activity. Indeed, Long Island (as well as many other regions) set back-to-back peak demand records in July and August of 2006. The most recent effort to develop new on-island generation capacity has met with repeated delays. Long Island's electricity needs cannot be subject to demands or pressure from any Town, Village or local civic association. The greater regional good resulting from adequate supplies of lower cost and cleaner generation of electricity should be reviewed by a State or regional body not subject to purely local interests.

### **Action Item #1: Construct new generation facilities/Repower existing facilities/New Transmission**

The Long Island Power Authority Energy Plan should continue to focus on the selection of the most cost-effective, reliable resources to bring new capacity to Long Island in the form of additional transmission lines, new generation, or repowering of the existing KeySpan generating plants or a mix thereof. The primary goal should be for Long Island Power Authority to enter into long-term contracts with the best proposals for off-

Island transmission or new on-Island generating facilities whether or not these are located on the sites of existing generating facilities.

- **Transmission:** The Long Island Power Authority should evaluate opportunities for additional transmission capacity either from PJM or from ISO-NE, making sure that it is backstopped by strong contracts and fair capacity and energy trading rules.
- **New Generation.** The economics of building new generating plants near electric and gas transmission facilities should be closely examined by Long Island Power Authority and this option should be evaluated in a competitive process vis-à-vis transmission and re-powering. New generation is needed both to meet load growth as well as to replace older generating units on LI with newer generating facilities. . (Note that in 2013, the power purchase contract under which Long Island Power Authority purchases 4000 MW of power from the existing KeySpan power plants expires. This contract covers 75% of Long Island Power Authority’s generating resources.) New generating units use one-third less fuel than existing ones and emit 95% less pollutants. At today’s fuel prices, one new baseload power plant would save Long Island Power Authority tens of millions of dollars per year as compared to the cost of generating the same amount of power in older plants.
- **Re-powering.** KeySpan (National Grid if and when the proposed acquisition closes), as the owner of most of Long Island’s generation, and Long Island Power Authority, as the user of the capacity and energy of these plants, should be urged to promptly develop and publicly announce a plan to re-power the existing portfolio of power generation and bid this revamped capacity into a Long Island Power Authority Request For Proposals for new resources. While there may be permitting or local political advantage to building on existing sites, the Long Island Power Authority should review both new sites and sites on which old power plants are located since it is possible that it is more economical to construct new plants on new, greenfield sites. This issue is actually a short-term priority as well as a long term priority due to the long lead time to select, permit, and construct new generating plants. Whether new transmission, new generation or re-powering or a mix thereof, any such plan must carefully consider the rate impacts on LI retail and business consumers.

## **Action Item #2 Meet LEED Standards**

LEED (“Leadership in Energy and Environmental Design”) is a voluntary system for rating the energy conservation and environmental compatibility of commercial buildings. The system incorporates several levels of increasing energy conservation and environmental compatibility and buildings are tested following construction to demonstrate that they meet the level selected by the architect and owner. Buildings that meet even the lowest (bronze) LEED level will consume substantially less energy than a conventionally built building. Some high-profile buildings constructed recently in NYC have been built to LEED standards and the owners are using that fact as part of their marketing strategy. Last year, Suffolk County passed a resolution requiring that all County owned buildings built in the future will satisfy at least the minimum LEED standard. All governmental entities on Long Island should adopt the position taken by Suffolk County and developers of commercial property on Long Island should be encouraged to voluntarily adopt LEED standards.

## **Action Item #3: Conservation**

The cheapest and most environmentally friendly kilowatt is the one that is not produced. In light of the expense and uncertainty of building new power plants, the Long Island Power Authority should review and enhance its efforts to be a leader in all forms of cost-effective energy conservation and energy-efficiency initiatives and should continue to make energy conservation and energy efficiency a short and long-term priority. Long Island municipalities should implement policies that encourage and reward conservation and end-use energy efficiency.

### **Action Item #3: Long Island Energy Center**

The Committee applauds the funding recently obtained by State Senators Skelos and LaValle for the Advanced Energy Research and Technology Center at Stony Brook and recommends that funding be continued to spur innovation in the development of more efficient conventional energy technology and the development of commercially viable alternative energy technology with a view toward establishing Long Island as a center for new businesses and technologies in this area. The State should work with the Federal Government, including Congressman Israel, on his Energy Security Task Force-New Energy Capital initiatives on energy independence in an effort to make Long Island a center for energy technology investment and employment.

### **Action Item #4: Job retention and creation**

As Long Island's demand for energy increases, workforce levels within the energy industry should be maintained to adequately meet growing demand, and to ensure that current reliability and service levels are maintained. In addition, every effort should be made to promote job creation within the industry on Long Island, applying the highest apprenticeship standards to ensure utility worker safety and a trained workforce able to meet the industry's challenges.

## **ENVIRONMENT**

Chair: Michael White, Partner, Jaspan Schlesinger Hoffman LLP  
Chair, League of Conservation Voters, Long Island

### **Introduction**

The environment plays a key role in Long Island's quality of life and economic well-being. However, it has proven to be a challenge to provide the necessary balance to maintain environmentally friendly initiatives while managing and meeting the needs of Long Island's growing population and businesses. In efforts to keep the environment as a priority on the state level, the environment committee suggests the following:

## **THE FIRST TWO YEARS**

### **Action Item #1: Protect Groundwater**

Provide adequate funding from all levels of government to protect the remaining 25,000 acres of open space to protect our groundwater and the 10,000 acres of agriculture acres now being farmed. In addition to the benefit

that would provide in preserving open spaces, it also would help ensure the purity of Long Island's aquifer-based water supply.

#### **Action Item #2: Ocean and Bays Council**

Support the creation of an ocean and bays protection council in New York State to protect the recreational, food and economic needs of our region.

#### **Action Item #3: Analyze Solid Waste Issues**

Support a new regional analysis of our solid waste issues to determine the effectiveness of regional coordination to increase recycling options and reduce truck movement of solid waste off of Long Island.

#### **Action Item #4: Review and Implement Brownfields Law**

Review the workability of and support the implementation of the New York State Brownfields law to focus redevelopment on existing sites in downtown areas. Review regulatory process to facilitate usage of the law.

#### **Action Item #5: Transportation**

Support the coordination of land use and transportation measures to promote "smart growth" concepts in planning with an emphasis on redevelopment in downtown areas.

### **THE TEN-YEAR AGENDA**

#### **Action Item #1: Improved Energy Generation and Transmission**

Support the construction of new power plants, the re-powering of the older energy plants, and the addition of transmission facilities in an environmentally responsible manner on Long Island to promote efficiency and improved air quality, in accordance with the Ten Year Agenda for Energy.

#### **Action Item #2: A New Environmental Bond Issue**

Support a new environmental bond issue for New York State to provide the resources necessary to protect open space and recreation areas.

#### **Action Item #3: Public Health**

Provide additional state and federal resources to implement public health initiatives on cancer research and air quality. Encourage business and government to use environmentally friendly products in all appropriate applications.

#### **Action Item #4: Shore Protection Project**

Support the multi-agency vision statement relating to the reformulation and implementation of the Fire Island to Montauk Point shore protection project.

## **Action Item #5: Recycling**

Encourage municipalities and businesses to purchase goods and services, which meet environmental standards to promote recycling.

## **FOREIGN INVESTMENT**

Chair: Spencer Ross, President, The National Institute for World Trade

### **Introduction**

Long Island lags far behind other regions in the United States and abroad in terms of a centralized effort to attract foreign investment. The rapid growth of Asian, Latin American and Mid-East economies and their search for stable investments has opened new opportunities for Long Island to attract investors from those or more traditional regions such as Europe and Japan, yet we do not have any regional organization on Long Island which is staffed and funded to promote this opportunity with the attention it deserves.

As one example, the Long Island Partnership, which includes investment attraction within its sphere of interest, would need additional funding and staffing to approach international targets for such investment. The Long Island Partnership mission is to facilitate profitable and sustainable growth by serving as a one-stop shopping resource to the business community. Its vision and purpose is to brand Long Island as a world-class region relative to economic development, technological innovation and quality of life.

### **THE FIRST TWO YEARS**

#### **Action Item #1: Accelerated Outreach Abroad: Long Island Trade Missions**

Conducting targeted trade missions that emanate from Long Island and visit countries of interest. On occasion, over the years sporadic trade missions have been launched to several countries by the Long Island Association and other organizations (to Russia and the NIS, Italy, Latin America) which have focused on export opportunities to those areas but the subject of investments by foreign businesses in Long Island has not received attention. Long Island should subsidize trips for serious foreign investors who have expressed interest in examining Long Island investment opportunities. (This program must go hand in hand with promotional elements within an active marketing effort.)

- Building relations with Commercial Officers of foreign consulates in New York City
- Participating in activities of United States-Foreign Chambers of Commerce in New York City
- Creating a Website for Long Island which promotes the benefits of the region for foreign investors, in the languages of target countries.
- Developing literature for mailing to overseas offices of the United States Department of Commerce and State

- Utilizing the contacts in Long Island affiliates of foreign companies, to obtain leads on potential investors

### **Action Item #2: Spotlighting Successful Foreign Company Affiliates on Long Island**

Develop an inventory of foreign firms already based on Long Island and incorporate statements from those firms into the Long Island Partnership's new website and printed literature.

### **Action Item #3: Enlist Assistance from Existing Private Sector Efforts in the Site Selection Field**

Site-Selectors, Shovel-Ready (a National Grid effort) and other organizations provide information to prospective investors but to date have often been negative about Long Island due to recognized problems such as affordable housing, lack of incentives, and permitting problems. Nevertheless, Long Island remains a vital economic engine because of its high quality of life, ready availability of support services, and excellent schools for the children of expatriate staff. We should concentrate on identifying the industries and service sectors for which Long Island offers special appeal and promote those sectors to the site-selection organizations.

### **Action Item #4: Accessibility to New York City**

Long Island also should be promoted as ideal for companies and individuals because of its proximity to New York City and the City's wide array of cultural activities, service organizations, United States-foreign Chambers of Commerce, Foreign Consulates, financial services, convenience to airports, seaports, rail and truck facilities, courier services, schools and universities, private and government research laboratories, recreational facilities and extraordinary performance in the Westinghouse and Intel scholarship programs.

### **Action Item #5: Enlisting Help from Public and Private Sources**

The United States Department of Commerce maintains numerous offices abroad but those offices have as their primary mission the stimulation of United States exports to those countries. It would be desirable at this time if Long Island representatives in Congress could assist in broadening the mission of the Department of Commerce overseas staff to include the attraction of foreign investment to the United States. Those offices abroad would then promote the interests of all of the communities throughout the United States, which are seeking foreign investment and which have sufficient resources to conduct competitive and active investment promotion programs abroad. Long Island certainly has the vigor and funds to put together an attractive investment program.

### **Action Item #6: Encouraging Manufacturing on Long Island by L.I.'s Suppliers**

Some major health and bioscience organizations on Long Island already ask their major suppliers to conduct manufacturing locally as a way to encourage economic development. More major firms on Long Island should be encouraged to do the same, and educated as to the successful efforts that have been made in that direction.

### **Action Item #7: Highlighting Long Island's Productivity**

Long Island productivity is very high. Some manufacturers, in search of lower manufacturing costs, have relocated operations to low-labor cost areas abroad, only to discover that their overall productivity had become lower than was the case in the United States. Some have even moved operations back again to the U.S.

## **THE TEN-YEAR AGENDA**

### **Action Item #1: Shortening the Permitting Process for New Construction Activity.**

This could be accomplished by concurrent processing of the various applications (zoning, building, Department of Environmental Conservation, Water Authority, cleanup, etc.) rather than sequential processing which is much more time consuming.

### **Action Item #2: Resource List**

Prepare a list of the service organizations that exist on Long Island which would be of special value to new companies

## **HEALTH CARE COST & QUALITY**

Chair: Michael J. Dowling, President & CEO, North Shore/LIJ Health System

### **Introduction**

As part of Innovate Long Island the Health Committee proposes a broad-based community health campaign called, “*LIVE LONGER — LONG ISLAND!*”

The campaign will focus on reducing risk factors associated with heart and cardiovascular (stroke) disease and the prevention and screening for breast, cervical, colon and prostate cancer. The goal is to decrease mortality and reduce chronic illness among Long Islanders. The mortality rates due to cerebrovascular, heart disease and cancer are slightly higher in Nassau County than those in Suffolk County and these three collectively are the causes of the largest number of deaths in the region. A secondary objective is to focus on communities at risk on Long Island that have a documented disparity in health measures due to differences that occur by gender, race or ethnicity and education or income.

Patient awareness, education and lifestyle changes are critical to successful outcomes and can all be achieved in an inter-related manner in the home, school, workplace and community-based settings. For example, combining education for parents into a “healthy home” program that addresses healthy eating, injury prevention, nutrition, and the impact of tobacco smoke on children and other family members can also be linked to school based and worksite wellness programs to address risk factors such as physical activity, overweight and obesity, and tobacco use.

There is a significant amount of resources already available through a similar national project - Healthy People 2010. This program provides a framework for prevention for the nation and contains national health objectives designed to identify the most significant preventable threats to health and to establish national goals to reduce these threats. Thus, focusing on specific risk factors make Live Longer–Long Island! an ideal health initiative to be included in Innovate Long Island.

## **THE FIRST TWO YEARS**

### **Action Item #1: Organize the healthcare industry in support of the Live Longer-Long Island! Campaign**

Long Island's large and diverse healthcare industry will need to actively support the Live Longer – Long Island! Campaign if it is to succeed. In one way or another, the campaign will seek to touch the lives of, and affect the behavior of, every person in the community of 2.8 million people. That requires the massive and carefully consistent communication of the Live Long-Long Island! Message, which can be achieved only with the uniform support of the healthcare industry.

### **Action Item #2: Link the Business Community, Organized Labor, the Churches, and the Schools to the Live Long – Long Island! Campaign**

It is not just the healthcare industry that will need to help get a consistent message out. The Campaign's message needs to be before people across Long Island everywhere they look. That requires the active involvement of employers, large and small, who will benefit from better health consciousness by their workers through reduced healthcare usage and less time off the job. Labor unions, churches, and the K-16 education community also need to be involved.

## **THE TEN-YEAR AGENDA**

### **Action Item #1: Reduce risk factors that are associated with premature death and increased chronic conditions, which result in increased absenteeism, disability costs, lost productivity, and increased health and premium costs.**

Long Island should focus primarily on reduction of risk factors associated with obesity and smoking, which contribute to hypertension, high cholesterol and diabetes. These risk factors are typically present in premature deaths due to coronary heart disease and stroke. There is a tendency to treat separate conditions rather than the totality of the risk factors. Increasingly, they are collectively being recognized and treated under the term, Metabolic Syndrome or MetS.

Recent scientific studies emphasize treatment of the underlying risk factors predisposing to MetS – diet, obesity and physical activity. If modest weight loss and increased physical activity can be achieved, much of the metabolic abnormalities of MetS substantially improve and begin to be reversed.

### **Action Item #2: Reduce the number of new cancer cases as well as the illness, disability, and death caused by cancer by promoting healthy behaviors, early detection and screening.**

Some cancers may be prevented by avoiding risk factors for cancer, such as tobacco use, diets too high in fat and too low in fiber, too little exercise, unsafe sex, and too much sun (or artificial sunlight, as from tanning booths). Screening involves checking for cancer or cancerous conditions in people without symptoms. This is important because screening for some cancers is effective in detecting pre-cancerous cells or finding cancer at an early stage when treatment is more effective.

Screening procedures vary for different cancers. Some common screening procedures include visual exams, laboratory tests, or procedures such as mammography or colonoscopy that test for internal cancers. Screening

tests for cancers of the colon-rectum, female breast, and cervix may detect tumors early enough to effect a long-term disease-free state.

Work-site and community –based programs will be developed in coordinated fashion with Long Island health providers that enhance awareness of early detection and provide access to screening services.

# **TOURISM**

Chair: Michael Eagan, President, Great South Bay Cruises

## **Introduction**

The tourism industry unquestionably is one of major drivers of Long Island's economy. Tourism's annual economic impact on Long Island is over \$3.6 billion, and sustains close to 100,000 resident jobs, while generating more than almost \$116 million in county sales taxes.

Enhancing and expanding tourism on Long Island requires a focused regional marketing approach, as well as strategic business alliances that can meet the increasingly competitive global challenges in a continually changing environment. Today's consumers have innumerable choices as to how they will spend their leisure time and Long Island must competitively present itself as a top destination of choice in the travel market place if its tourism industry is to thrive.

Resources, both human and financial, are the essential fuels to maintain the economic engine that is tourism.

## **THE FIRST TWO YEARS**

### **Action Item #1: Hotel/Motel Tax**

Support the continuation of the hotel/motel tax in each county and require that the funds be given to a single regional tourism agency, the Long Island Convention and Visitors Bureau, to be used for regional promotion efforts.

### **Action Item #2: Visitor Center**

Implement the development and growth of a Long Island visitor information center near Exit 51 of the Long Island Expressway to help develop Long Island as a premier destination and ensure that the project stays on its current schedule.

### **Action Item #3: Destination Sign System**

Develop and implement a plan with state and local transportation officials to expand the current unified tourism destination sign system on our roadways.

### **Action Item #4: Marketing Program**

Require the active involvement and engagement of private industry within the "I Love New York" marketing program from initial market research to implementation of the final plan.

### **Action Item #5: Matching Funds Program**

Enact legislation changing the state matching funds program allocation formula to a per capita basis. Currently, the state formula for the distribution of funds to promote tourism is based upon the number of counties within a region, not the number of tourists who visit. The Finger Lakes Region, for example, receives funding based upon its nine counties; Long Island has only two. But, Long Island has over 20 million visitors each year, and tourism is the region's number one industry.

## **THE TEN-YEAR AGENDA**

### **Action Item #1: Dedicated Fund to Tourism**

Create a tourism dedicated fund to significantly increase the amount of state funds spent on tourism marketing and require that New York's program be within the top 5 of all of states in regard to spending on tourism promotion.

### **Action Item #2: Visitor Center in Nassau County**

Create a new visitor information center along the Southern State Parkway in Nassau County.

### **Action Item #3: Emancipate Wineries**

Eliminate restrictions placed upon the wineries so as to enable them to provide additional services and benefits.

### **Action Items #4: Expand Transportation Initiatives**

Expansion of mass transit options and other transportation initiatives to allow visitors to get to our tourism attractions.

## **TRANSPORTATION**

Chair: Neal Lewis, Executive Director, Neighborhood Network

### **Introduction**

The movement of both people and goods on, off, and around Long Island is one of the most important constraints that our region faces in the next twenty years. Substantial investments in new mass transit projects are required to reduce our dependence on the single occupant automobile, which has become the predominant mode of transportation for most Long Islanders. Long Island's mass transit systems should be expanded to provide new options both on and off of the Island, and our highway system should be improved to provide for incentives for carpooling and new bus routes. In addition, we need to provide for new methods of shipping goods by rail to reduce our dependence on trucks for the movement of goods. These initiatives, both in the short and long-term, will allow Long Island to become more transportation efficient.

## **THE FIRST TWO YEARS**

### **Action Item #1: Third Track of the LIRR**

Move forward immediately with the project to add a third track to the Long Island Rail Road from Bellerose to Hicksville to allow for the added service which will be provided to and from New York City by the East Side Access Project, and to provide New York City residents a mass transit option to commute to Long Island for work.

### **Action Item #2: Encourage mass transit use**

Educate the public and employers about the state programs that offer incentives to those who encourage or use mass transit to get to work.

### **Action Item #3: Conduct a formal study of parking options for the Long Island Rail Road stations.**

Look to increase parking spaces creatively and increase available space for other needed projects (such as housing). Ensure that local governments and residents are involved in the process. Educate the public as to what the alternatives are and incorporate preferred architectural designs and renewable energy sources such as solar power.

### **Action Item #4: Expand bus systems in Nassau and Suffolk.**

Promote the expansion of the Nassau and Suffolk County bus systems through increased capital and operating funds, which could be drawn from the \$100 million Long Islanders pay each year in MTA taxes, none of which comes back to the bus systems.

### **Action Item #5: Explore new rail options**

Expand rail freight options on Long Island through development of new rail sidings and location of new plants along rail lines.

## **THE TEN-YEAR AGENDA**

### **Action Item #1: Create a second track once the Third Track is complete.**

To complement the completion of the Third Track, create a second track from Hicksville to Yaphank to expand service to the mid-Suffolk areas.

### **Action Item #2: Study on Sunrise Highway in Nassau County**

Conduct a study to determine the feasibility and options to decrease the number of lights on Sunrise Highway, specifically in Nassau County so as to allow that roadway to become an alternative option for truck movements.

### **Action Item #3: Construct new Railroad Stations**

Develop a new Long Island Rail Road station at the new Mets ballpark, and the new Nassau Coliseum to provide meaningful transportation options for all of our residents.

## **APPENDIX ONE**

### **COMMITTEE PARTICIPANTS**

#### **HUMAN RESOURCES COMMITTEE**

Co-Chairs: Nancy Douzinas, President, Rauch Foundation  
Peter Klein, Senior Vice President, UBS

Bill Liggan, ICON Laboratories  
Judy Pannullo, Suffolk Community Council  
Judy White, CJ2  
Paul Arfin, Intergenerational Solutions  
Rosann Kelly, Hofstra University  
Gregory Wirth, Bethpage Federal Credit Union  
Stephen Jones, Suffolk County Water Authority  
Mike Collins, AVZ & Co.  
Marlee Miller, United Way LI  
Sanford Hinden, Five Towns College  
Robert Benrubi, Phillips Nizer LLP  
Tim Sullivan, human resource professional  
Jeff Levy, Leadership Solutions  
Jennifer Macaluso, Auto One Insurance  
Doug Silverman, Nikon  
Annette Perry  
Josh Senders, Pilot Benefits  
Ronald Goldman, Jefferson Wells  
E. Christopher Murray, Reisman, Peirez & Reisman, L.L.P.  
Patsy Randolph, The Rauch Foundation  
Deborah Scanlan, Randstad USA  
Ronda Scharlat, Sigma Staffing  
Maureen Paradine, 1800 Flowers  
Jeryl In Askew, Hain-Celestial  
Pam Antos, NBTY  
David Negron, Davis Vision  
Diana Bischoff, Eight in One Pet  
Stacie Nickola, Estee  
Coleen Bayer, Altana Pharmaceuticals  
Susan Lange, Nature's Plus  
Jodi Saffron, FRX  
Robert Potorski, Kozy Shack

Hanita Alexander, Sunrise Lab  
Susan Suver, Arrow  
Doug Silverman, Nikon  
Annette Perry, PHR

## **AFFORDABLE HOUSING SUBCOMMITTEE**

Chair: Steve Bellone, Supervisor, Town of Babylon

Anne Marie Jones, Town of Babylon  
Theresa Sabatino, Town of Babylon  
Dorian Dale, Town of Babylon  
Maribeth Walsh, Stewart Title Insurance Co.  
Rosemary Dehlow, Community Housing Innovations  
Kevin Lessing, Lessing's  
Cara Longworth, Glen Cove CDA  
L. Von Kuhen, Community Development Corp. of LI  
Peter Elkowitz, Long Island Housing Partnership  
Judy White, CJ2  
Ellen Boccio, CJ2  
Brendan J. Stanton, Suffolk County  
Gregory Wirth, Bethpage Federal Credit Union  
Alec Ornstein, Ornstein Layton Co.  
Eileen Anderson, Community Development Corp. of LI  
Diana Weir, Long Island Housing Partnership  
Paul Arfin, Intergenerational Strategies  
Mike Collins, Albrecht Viggiano  
Robert Benrubi, Phillips Nizer  
Kenny Green, Magniflood  
Marian Zucker, Suffolk County  
Ed Ambrosino, Ruskin Moscou Faltischek, P.C.  
Scott Lyon, LICARH  
Connie Lassandro, Nassau County Dept. Housing & Homeless Services  
Phyllis Messina, Quality Medical Billing  
Marlee Miller, United Way of LI  
Michael Keane, Garfunkel, Wild & Travis, P.C.  
Linda Amper, OSI Pharmaceuticals  
Marge Rogatz, Community Advocates, Inc.  
Gabrielle Schaich, Farrell Fritz, P.C.  
Steve Jones, Suffolk County Water Authority  
Domenic Abbatiello, KeySpan

## **CREATIVE CLASS/QUALITY OF LIFE SUBCOMMITTEE**

Chair: Laura Savini, Vice President, WLIW21

Diane Impagliazzo, Dowling College  
Sanford Hinden, Five Towns College  
Theresa M. Rose, Telephonics Corporation  
Michael Allen Harrison, Camalex  
Leslie Gross, Town of North Hempstead  
Cara Longworth, Glen Cove CDA  
Ronald Storch, MKLLP  
Lisa W. Ott, North Shore Land Alliance  
Marlee Miller, United Way of LI  
Kerri Searles Adams, Searles Graphics  
Deborah Scanlan, Randstad USA  
Kevin Lessing, Lessing's  
Joe Perry

## **EDUCATION COMMITTEE**

Co-Chairs: Dr. Shirley Robinson Pippins, President, Suffolk County Community College  
Patrick G Halpin, Executive Vice President, Institute for Student Achievement

Rosann Kelly, Hofstra University  
Jon Becker, Hofstra University  
Diane Impagliazzo, Dowling College  
Jim Morgo, Suffolk County Economic Development  
Hubert Keen, Farmingdale State University  
Larry Waldman, Holtz Rubenstein  
Ron Smith, NYSUT  
Arda Nazerian, Nassau County

## **K-12 COSTS AND OUTCOMES SUBCOMMITTEE**

Chair: Dr. Gary Bixhorn, Deputy Superintendent, Eastern Suffolk BOCES

Michael Borsuk, CPA  
Lorraine Deller, Nassau-Suffolk School Boards Association  
Hubert Keen, Farmingdale State University  
Brian Kemp, Commerce Bank Championship  
Charlie Richardson, The Literacy Council  
Shane Higuera, Eastern Suffolk BOCES  
Terry O'Neil, Bond, Schoeneck & King P.C.  
Jim Cullen, Long Island Association  
Candace White-Ciraco, Eastern Suffolk BOCES  
Andrea Grooms, Eastern Suffolk BOCES

Michael Borsuk, CPA  
Lorraine Deller, Nassau-Suffolk School Boards Association  
Terry O'Neil, Bond, Schoeneck & King P.C.  
Lisa Tyson, Long Island Progressive Coalition  
Michael Allen Harrison, Camalex

## **SUPPORTING HIGHER EDUCATION SUBCOMMITTEE**

Chair: Dr. Robert Allyn Scott, President, Adelphi University

Mary Marquez Bell, SUNY College at Old Westbury  
Michael DeLuise, Dowling College  
James G. DiLiberto, Island Drafting & Technical Institute  
Jonathan Ezor, Touro Law  
Michael Allen Harrison, Camalex  
Sister Elizabeth Hill, St. Joseph's College  
Robert Isaksen, Bank of America  
Mike Kinane, SUNY College at Old Westbury  
Terry O'Neil, Bond Schoeneck & King P.C.  
Daniel Rodas, Long Island University  
Brian Rothschild, Adelphi University  
Robert A. Scott, Adelphi University; Chair  
Fred Strauss, Polytechnic University

## **EDUCATION-EMPLOYER CONNECTION SUBCOMMITTEE**

Chair: Cheryl Davidson, Executive Director, Long Island Works Coalition

Mona Goldstein - LIRACHE  
Jeanette Grill, CW Post  
Theresa M. Rose, Telephonics  
Sue Gubing, Career Smarts  
John Hill, Chief Executive Trade Show Coach  
Chuck Schwartz, Rovenet, Inc  
Iris Atkinson, Kirkland  
Clyde Payne, Dowling College  
Charlotte Fulmore, Briarcliffe College  
Christina M. Cusimano, Katharine Gibbs School Melville  
Gary Huth, NYS DOL  
Rita DiStefano, Portnoy Messinger Pearl  
Brian P. Jeran, Dowling College  
Jo-Ann Goldson, Nassau County  
Rosemary Dehlow, Community housing innovation

Terri Drossos, East Islip Schools  
Lisa McCluskey, Hofstra  
Betty Morr, Molloy College

## **RESEARCH COMMITTEE**

Co-chairs: Hans Zobel, President & CEO, Festo Corporation  
Dr. Yacov Shamash, Vice President, Stony Brook University

Anne Marie Scheidt, Stony Brook University  
James McGowan, Adelphi University  
Rosann Kelly, Hofstra University  
Fred Strauss, Polytechnic University  
Robert Isaksen, Bank of America  
Ed Ambrosino, Ruskin Moscou Faltischek, P.C.  
Carolyn Fahey, Suffolk County

## **INVESTMENT COMMITTEE**

Co-Chairs: Patrick Foye, Chief Professional Officer, Long Island's United Way

Joshua Y. Horton, CEO, North Star Media Network  
Former Supervisor, Town of Southold

Bruce Ferguson, Suffolk County IDA  
Fred Parola, LIPA  
Rosann Kelly, Hofstra University  
Patrick Foye, United Way of LI  
Robert Benrubi, Phillips Nizer LLP  
Ross Ain, Caithness Energy, L.L.C.  
John Racanelli, Farrell Fritz, P.C.  
Hon. Craig Johnson, Nassau County Legislature

## **ENERGY SUBCOMMITTEE**

Chair: Patrick Foye, Chief Professional Officer, Long Island's United Way  
Vice Chairman, Long Island Power Authority

Frank Verderber, LIPA  
Don Miller, HLD/Blankman PR  
Frank Caifa, AIG  
Lisa Tyson, Long Island Progressive Coalition  
Robert Isaksen, Bank of America  
Domenic Abbatiello, KeySpan  
Ross Ain, Caithness Energy, L.L.C.  
Neal Lewis, Neighborhood Network  
Frank Verderber, LIPA  
Bruce Germano, LIPA  
Anastasia Song, Hawkeye, LLC  
Bruce Ferguson, Suffolk County IDA  
Michael Faltischek, Ruskin Moscou Faltischek, P.C.  
Matt Cordero, Long Island University  
Pat Guidice, IBEW Local 1049  
Ellen Redmond, IBEW Local 1049

#### **ENVIRONMENT SUBCOMMITTEE**

Chair: Michael White, Partner, Jaspan Schlesinger Hoffman LLP  
Chair, League of Conservation Voters, Long Island

Don Miller, HLD/Blankman PR  
Lisa W. Ott, North Shore Land Alliance  
Richard Rizzo, Citigroup  
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Page Intentionally Left Blank **APPENDIX TWO**

Report of the  
***Innovate Long Island***  
 Subcommittee on K-12 Costs and Outcomes

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# Introduction/Acknowledgements

This report of the **Innovate Long Island** Subcommittee on K-12 Costs and Outcomes reflects many years of collaborative effort between the Long Island Association (LIA) and Long Island's educational community. This report provides the most up-to-date, verified information available on the costs, financing, and outcomes of public education on Long Island.

In addition to updating previously reported information on regional cost differences, expenditures, enrollment, local share, and test results, this **Innovate Long Island** report provides information on topics such as STAR subsidies, school district wealth, teacher salaries, and the achievement gap between "rich" and "poor" school districts. The data used to both update and develop this information are described on the reference page and Appendix F.

The foundation for this report was set in 1996 when the Long Island Education Coalition (LIEC – see Appendix G for member organizations) and the LIA prepared the first report on the costs and outcomes of education on Long Island. The report provided a basis for the informed discussion of educational issues within the region. As a result of that effort, the relationship between the educational and business communities has blossomed into a mutually supportive partnership.

The collaboration set the stage for the establishment of Long Island Works Coalition, a regional school–business partnership, and the Long Island School Superintendents–College Presidents Partnership. Long Island now leads the State in these types of collaborative efforts.

The LIA and the LIEC have advocated for the reform of educational funding formulas for several years. Underlying their advocacy is the belief that all New York State children are entitled to a sound, basic education and that an effective system of funding such an education must be established.

This need to reform the current system of allocating adequate state aid to New York State school districts has also been acknowledged by all parties involved in the process. Now the courts have joined the chorus of voices calling for reform as a result of the decision in the Campaign for Fiscal Equity (CFE) lawsuit. The court has determined that children being educated in New York City are entitled to the same sound, basic education that other children in the State are receiving. A high school education that enables every child to meet the requirements of the State has become the standard.

As part of statewide reform, the needs of all regions must be considered. In order to facilitate this effort, the **Innovate Long Island** K-12 Costs and Outcomes Subcommittee has identified regional priorities for school finance reform. Our priorities are based upon a thorough review of the data in this report and our knowledge of the state budget process.

We believe that the priorities we have identified, if utilized as a basis for reform, will benefit all New York State students and meet the requirements of the court pursuant to the CFE decision.

The subcommittee drew on many resources to develop this report. The report is built on a foundation of prior work including:

The Eastern Suffolk BOCES report by Shane Higuera, "Residential Real Property Tax Burden for Supporting Public Schools: A Long Island Perspective," July 27, 2006.

The Eastern Suffolk BOCES report by Shane Higuera, "Long Island School District Wealth: An Updated Study," June 2006.

The report of the Suffolk County School Superintendents Association (SCSSA), "Task Force on Regional Strategies to Promote School Efficiency and Cost Effectiveness," January 2006.

The report of the Long Island Association and the Long Island Education Coalition, "Long Island Education: Facts on Costs and Outcomes and Regional Priorities for State Aid Reform," February 2005.

The report of the Suffolk County School Superintendents Association and the Nassau County Council of School Superintendents, "The Funding of Education in New York State: Addressing the Needs of All Children," December 2003.

All of the data presented in this report were prepared for the committee by Shane Higuera, Candace White-Ciraco, and Andrea Grooms of Eastern Suffolk BOCES. Their work enabled the subcommittee to process a tremendous amount of information and develop a coherent, cohesive, and comprehensive set of regional priorities for state aid reform. This work could not have been accomplished without their efforts and the support of Eastern Suffolk BOCES.

Respectfully submitted,

K-12 Cost and Outcomes Subcommittee

Gary D. Bixhorn, Chairperson  
Michael Borsuk  
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## 20 Key Facts About Long Island Education

Public education may be the most significant economic, social, and cultural force on Long Island. It is an \$8 billion enterprise that shapes the future of nearly half a million students annually. Among the 125 public school districts that deliver programs and services to these students, there are vast differences in terms of economic capacity and student demographics.

Given the size and complexity of the system, it is difficult to generalize. However, a review of achievement, financial, and demographic data has enabled the subcommittee to identify 20 key facts about education on Long Island. The facts are as follows:

### Achievement

- Long Island's elementary, middle level, and secondary students consistently outperformed other students statewide on the English Language Arts, Science, Math, and Social Studies assessments, as well as the Regents exams in 2003-04 (see *Tables 1 and 2*).

However, the data clearly support the existence of a significant achievement gap between Long Island's least wealthy and most wealthy school districts. Long Island's least wealthy districts' performance on required Regents exams are 16 to 21 percentage points below the performance of the wealthiest school districts on Long Island (see *Table 3 and Appendix F*).

### **Outcomes/Enrollment**

- During the 2003-04 school year, Long Island served the third highest percentage of Limited English Proficient (LEP) students compared to all other counties statewide, excluding New York City (see *Table 4*).

The data indicate that the least wealthy school districts on Long Island served a higher percentage of LEP students (12.0%) than Long Island as a whole (5.0%) and, as a group, served a higher percentage of LEP students than any county in the State (see *Table 8*).

- Long Island's percentage of high school students graduating with a Regents diploma in 2004 (71.8%) ranked above the statewide median (67.0%), excluding New York City (see *Table 5*).
- The percentage of high school graduates (46.9%) in Long Island's least wealthy school districts earning a Regents diploma in 2004 was well below the state median (67.0%, see *Table 5*); this is nearly half of the percentage (83.4%) of students earning a Regents diploma in Long Island's wealthiest school districts (see *Table 8*).
- Long Island ranked third highest of the 56 counties in the State in the percentage of graduates entering post-secondary education in 2004, excluding New York City (see *Table 6*).
- According to data included in the New York State Education Department's Statistical Profiles of Public School Districts reports, the drop out rate for Long Island has remained at or below 2% since 1995-96 (see *Table 7*).
- The drop out rate (6.7%) in the least wealthy school districts on Long Island was approximately 6 percentage points greater than that of the wealthiest districts on Long Island (0.6%), and approximately 4 percentage points greater than New York State (2.5%), excluding New York City (see *Table 8*).

### Costs

A State aid dollar on Long Island buys far less than in other regions of the State. The purchasing power of \$1,000 in the lowest cost region (North Country) is the equivalent of \$883 in the cost region at the median (Central New York), and only \$668 on Long Island (see *Table 9*).

- Long Island's regionally adjusted per pupil expense (\$10,017) was approximately 6.6% below Putnam (\$10,727), the county at the median (see *Table 12*).
- Over the past ten years, Long Island has experienced an average 2 percentage point increase annually in per pupil expenditures. The annual average percentage point increase for counties at the median was approximately 3.2 percentage points (see *Table 13*).

- Long Island experienced an average annual enrollment growth of 1.8% over the past 10 years. Enrollment in the rest of the State was essentially unchanged (0.24%) during that same period of time (see *Table 14*).

### Salaries

- The mean (average) salary for an elementary school teacher on Long Island is \$67,370, which is within 0.3% of the statewide average of \$67,180; the statewide average includes New York City pay rates (see *Table 10*).
- The mean (average) salary for a middle school teacher on Long Island is \$68,570, which is within 2.3% of the statewide average of \$67,020; the statewide average includes New York City pay rates (see *Table 10*).
- The mean (average) salary for a secondary school teacher on Long Island is \$69,500, which is within 0.9% of the statewide average of \$68,850; the statewide average includes New York City pay rates (see *Table 10*).
- Average wages for teachers on Long Island are comparable to wages in a wide variety of non-education occupations (see *Table 11*).

### **Local Effort/State Share**

- Long Islanders use an average of about 20% more of their gross household incomes to pay their residential school property taxes than New Yorkers in general (see *Appendix D*).

As Long Island's regionally adjusted per pupil expenditures are approximately 6.6% less than those for New York State, this greater than average effort is required due to Long Island's share of state aid (see *Table 12 and Appendix D*).

The number of school districts on Long Island that received less than 10% of the total revenue from state aid in 2003-04 was 39; this was equal to 53% of the 74 districts statewide with less than 10% of total revenue from state aid (NYSEF FARU, 2004).

Another 55 Long Island school districts received between 10% and 30% of their total revenue from state aid; this was equal to 39% of the 140 districts statewide with between 10% and 30% of their total revenue from state aid (NYSEF FARU, 2004).

- When New York City is included, the share of state aid directed to Long Island (12.7%) is less than the percentage (16.7%) of the State's children being educated on Long Island (NYSEF FARU, 2004).

When New York City is excluded, the share of state aid directed to Long Island (20.0%) is less than the percentage (26.3%) of the State's children being educated on Long Island (NYSEF FARU, 2004).

- STAR subsidies to certain residential property owners on Long Island amounted to nearly \$641 million. If these STAR subsidies had been paid directly to school districts in the form of state aid, the amount of funds that school districts needed to raise from local property taxes and other revenues would have decreased by nearly \$641 million or more than 11%. STAR subsidies provide no school tax relief for commercial property owners (see *Table 16*).

- Long Island accounted for nearly 30% of the annual taxable sales, and accounted for 36% of state income tax paid by residents of the State outside of New York City in 2002 (see *Tables 17 and 18*).

However, the state share of school district revenues on Long Island (24.4%) continues to be among the six smallest in the State (see *Table 15*).

### Wealth

- Long Island has several very wealthy school districts based upon an analysis of combined wealth ratios (CWR). However, several of the “wealthy” districts are small while there are many “poor” large districts (see *Appendix C*).

Accordingly, there is a wide gap between perception and reality when it comes to the wealth of Long Island schools.

The percentage of students in districts of below average wealth (CWR =<1.00) by BOCES region on Long Island is as follows:

<b>Region</b>	<b>Number of Students(2004-05)</b>	<b>Percentage of Students</b>
Suffolk County	141,547	53.1
Eastern Suffolk BOCES	116,378	66.8
Western Suffolk BOCES	25,169	27.3
Nassau County (Nassau BOCES)	21,061	9.9
Long Island		162,608
	34.0	

## Long Island’s Priorities for Statewide School Finance Reform

The “20 Key Facts About Long Island Education” paint a picture of an educational system that is meeting the needs of its students and operating at a cost that is “in line” with the statewide average but is disproportionately dependent upon local property taxes. Even though the median per pupil cost of education, after adjustment for regional cost differences, is below the state median, the property tax burden (measured as a percentage of gross household income) of Long Islanders is 20% greater than New Yorkers in general (see *Appendix D*).

The “Facts” also indicate that there are discrepancies in student performance between wealthy and poor districts. The averages, which indicate that Long Island students outperform students from every other region of the state, tend to mask these very real differences that need to be addressed.

Clearly, greater state support for our schools is necessary to address the tax burden and performance gap issues. Along with this need for more funding, the existing system of allocating funds between school districts is widely recognized as dysfunctional and requires reform. The formulas that were created to assure that funds would track wealth and needs have not been allowed to “run” for many years. Artificial caps were added to the formulas and even the “old” regional shares were frozen at a level that no longer reflects student enrollment patterns. Most recently, the formulas were abandoned and annual percentage increases have been negotiated.

All of this leads us to conclude that the system of financing education in the State must be reformed; and in order to serve the needs of all children in New York State including the children of Long Island, certain regional priorities must be addressed within the context of reform. These priorities reflect the needs of Long Islanders and they must be considered as part of a statewide plan to address the CFE decision.

The State can accomplish this through the establishment of aid appropriations and formulas that are responsive to the following regional priorities:

**Provide property tax relief to Long Islanders.** The State must direct significantly more state aid to Long Island schools. Long Islanders are suffering from taxpayer fatigue. On average, more than 3.7% of their gross household income goes to pay their residential school property taxes on Long Island, as opposed to just over 3.1% for all households in New York State (excluding NYC). In comparative terms, Long Islanders use an average of just under 20% more of their gross household incomes to pay their residential school property taxes than New Yorkers in general (*see Appendix D*).

**Significantly increase state aid to education in New York State.** The most current data available (2003) indicates that the national average state share of education funding is 48.7%. The New York share is reported at 45.6% with STAR payments included. The Long Island educational community has maintained that while STAR provides tax relief to certain residential propriety owners, it is not state aid to school districts (Hill and Johnson, 2005).

In order to increase the State share to the national average, without including STAR (\$2.7 billion), aid to schools should be increased by an amount equal to STAR plus an additional \$1.2 billion (NYSED FARU, 2003).

**Recognize differences in school district needs as determined by demographic, achievement, and wealth data.** Analysis of district wealth and achievement data indicates that significant performance gaps exist on Long Island. Those gaps should be a significant factor in the allocation of state support (*see Tables 3 and 8*).

**Recognize regional cost differences in the operating aid formula, as well as all other non expense-driven formulas.** This should be done in a meaningful manner utilizing the professional cost index developed by the State Education Department. Also, it will be important for the State to continually maintain and update this index. A dollar upstate (North Country Labor Force Region) is worth only \$0.66 on Long Island (*see Appendix B*).

**Guarantee every school district in New York State a minimum “state share” of revenue.** The number of school districts on Long Island that received less than 10% of the total revenue from state aid in 2003-04 was 39; this was equal to 53% of the 74 districts statewide with less than 10% of total revenue from state aid (NYSED FARU, 2004).

Another 55 Long Island school districts received between 10% and 30% of their total revenue from state aid; this was equal to 39% of the 140 districts statewide with between 10% and 30% of their total revenue from state aid (NYSED FARU, 2004).

The average “local share” of revenues for Long Island in 2003-04 was 64.7%; the remaining revenue sources were State Aid (24.4%), STAR (8.4%), and Federal Aid (2.5%) (NYSED FARU, 2004).

**Introduce multi-year state aid appropriations to provide an enhanced ability to plan and provide greater stability to the school district budget process.**

**Consolidate and simplify the formulas to eliminate small categorical aids and make the allocation system understandable.**

The subcommittee believes that the finance system needs to be reformed and that these regional priorities should serve as the basis of reform. However, in the absence of true reform, and if these priorities are not recognized, the share of state aid (12.7%) directed to Long Island (including NYC) should not be less than the percentage (16.7%) of the State's children being educated on Long Island. This alone would allocate an additional \$700 million to Long Island and provide some degree of tax relief (NYSED FARU, 2004).

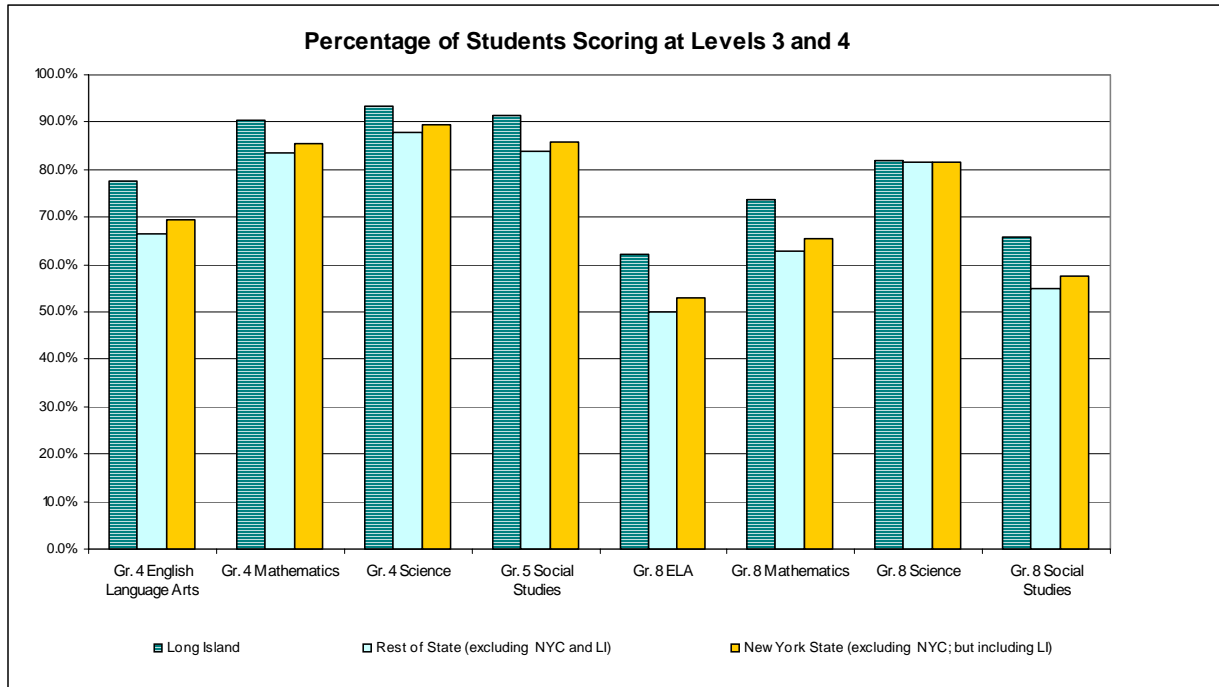
**TABLE 1**

**Percentage of Elementary and Middle Level Students Scoring at Levels 3 and 4**

<b>Assessments</b> LI) % of all students tested	<b>Long Island</b> % of all students tested			<b>Rest of State</b> (excluding NYC and LI) % of all students tested
	<b>New York State</b> (excluding NYC; but including LI)			
<b>Grade 4 English Language Arts</b>	77.6			66.3
<b>Grade 4 Mathematics</b>	90.6			69.3
<b>Grade 4 Science</b>	93.4			85.6
<b>Grade 5 Social Studies</b>	91.3			87.9
<b>Grade 8 English Language Arts</b>	62.1			83.8
<b>Grade 8 Mathematics</b>	73.8			85.8
<b>Grade 8 Science</b>	82.0			50.0
<b>Grade 8 Social Studies</b>	65.8	54.8	57.7	62.8

**Description:** The percentage of all 4th, 5th and 8th grade students who scored at levels 3 and 4, respectively (levels that are at or above the state standards) on the New York State Assessments, 2003-04.

**Source:** *New York State Education Department Board of Regents (2005d). Statistical Profiles of Public School Districts (Chapter 655). Albany, NY: The University of the State of New York-The State Education Department.*



**2003-04 Key Fact:**

1. Long Island's elementary and middle level grade students exceeded statewide levels of performance on all assessments administered during the 2003-04 academic year.

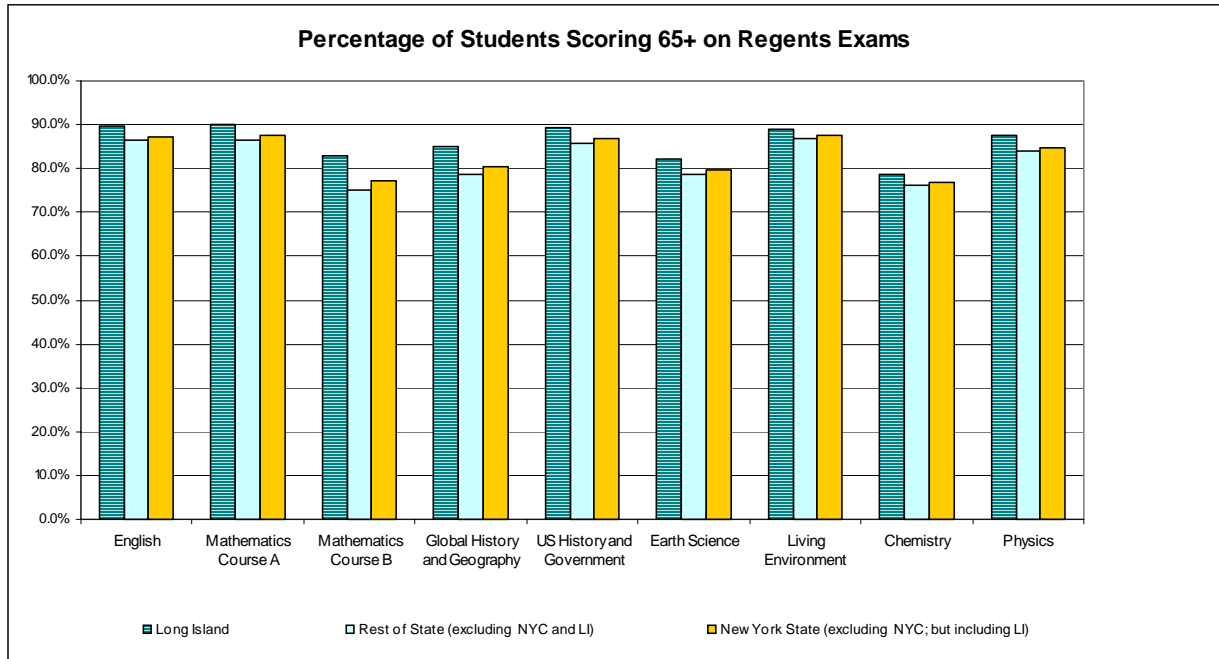
**TABLE 2**

**Percentage of Secondary Students Scoring 65+ on Regents Exams**

Assessments of all students tested	Long Island% of all students tested		Rest of State(excluding NYC and LI)%
	New York State(excluding NYC; but including LI)% of all students tested		
<b>English</b>	89.8	86.4	87.3
<b>Mathematics Course A</b>	89.9	86.6	87.5
<b>Mathematics Course B</b>	83.0	75.0	77.3
<b>Global History and Geography</b>	85.0	78.8	80.4
<b>U.S. History and Government</b>	89.4	85.8	86.8
<b>Earth Science</b>	82.3	78.8	79.8
<b>Living Environment</b>	89.0	87.0	87.5
<b>Chemistry</b>	78.5	76.0	76.7
<b>Physics</b>	87.4	84.0	84.8

**Description:** The percentage of all secondary students who scored 65+ on the New York State Regents, 2003-04.

**Source:** New York State Education Department Board of Regents (2005d). *Statistical Profiles of Public School Districts (Chapter 655)*. Albany, NY: The University of the State of New York-The State Education Department.



**2003-04 Key Fact:**

1. Long Island's secondary students consistently outperformed other students statewide on all required Regents exams in 2003-04.

**TABLE 3**

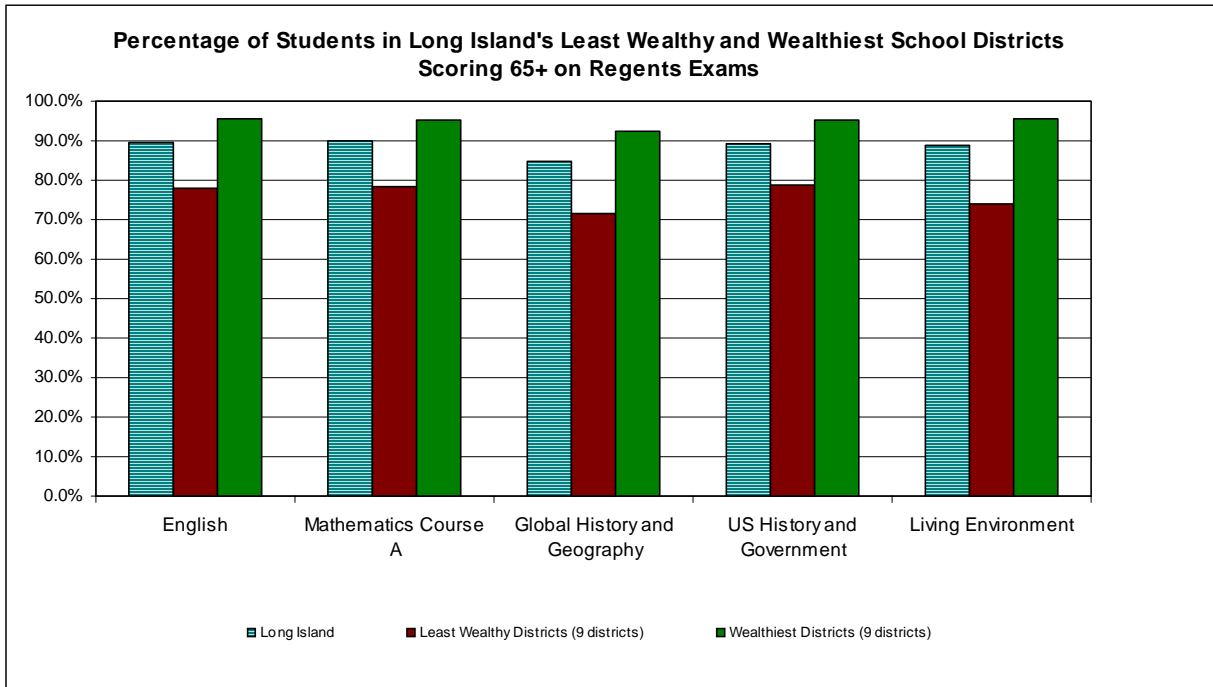
**Percentage of Students in Long Island's Least Wealthy and Wealthiest School Districts Scoring 65+ on Regents Exams**

Assessments	Long Island	Wealthiest Districts		Least Wealthy Districts
	% of all students tested Total Enrollment = 70,003% of all students tested	(9 districts) % of all students tested	(9 districts)	Total Enrollment = 23,426%
English	89.8	78.0		95.7
Mathematics Course A	89.9	78.5		95.1
Global History and Geography	85.0	71.6		92.3
US History and Government	89.4	78.8		95.1
Living Environment	89.0	74.0		95.8

**Description:** The second column represents the percentage of Long Island secondary students who scored 65+ on the New York State Regents, 2003-2004. The third column represents academic outcomes for school districts on Long Island that serve 1,500+ students and also have the lowest CWRs on Long Island. The fourth column depicts academic outcomes for school districts on Long Island that serve 1,500+ students and also have the highest combined wealth ratios (CWRs) on Long Island.

See Appendix F- Data Selection and Presentation for a list of the nine least wealthy and the nine wealthiest K-12 school districts on Long Island used for this analysis.

**Source:** *New York State Education Department Board of Regents (2005d). Statistical Profiles of Public School Districts (Chapter 655). Albany, NY: The University of the State of New York-The State Education Department.*



**2003-04 Key Fact:**

1. Long Island's least wealthy school districts' performance on required Regents exams are 16 to 21 percentage points below performance of the wealthiest school districts on Long Island.

**TABLE 4**

**Percentage of Limited English Proficiency as a Percentage of Enrollment**

Rank	County	Enrollment	%
1	<b>Hamilton, Schuyler</b>	Hamilton 623Schuyler 2,281	0.0
56	<b>Westchester</b>	148,556	8.0
Median28	<b>Cortland</b>	7,576	0.5
54	<b>Long Island</b>		474,933
		5.0	
	<b>Rest of State</b> (excluding NYC and LI)		1,333,005
		2.5	
	<b>New York State</b> (excluding NYC; but including LI)		1,807,938
		3.1	

**Description:** This table reports the number of public school students with Limited English Proficiency divided by the total public school enrollment of the region, 2003-04. Students with Limited English Proficiency typically require more intensive support services in order to assure success in school. Ranks closer to 1 indicate smaller percentages of students with additional support needs arising from Limited English Proficiency.

**Source:** *New York State Education Department Board of Regents (2005d). Statistical Profiles of Public School Districts (Chapter 655). Albany, NY: The University of the State of New York-The State Education Department.*

**Method of Ranking:** The percentage of LEP students on Long Island was compared to the percentage of LEP students in the other 55 counties of New York State (excluding New York City) by ranking from the lowest percentage of Limited English Proficiency students (1) to the highest percentage (56).

**2003-04 Key Facts:**

1. During the 2003-04 school year, Long Island served the third highest percentage of LEP students compared to all other counties statewide (excluding New York City).
2. Outside of New York City, only Westchester and Rockland served a greater percentage of LEP students than Long Island school districts in the 2003-04 school year.

**TABLE 5**

**Percentage of High School Graduates Earning a Regents Diploma**

<b>Rank</b>	<b>County</b>	<b>Number of Completers</b>	<b>%</b>
1	<b>Hamilton</b>		46 87.0
56	<b>Schuyler</b>		146 47.0
Median28	<b>Fulton, Ulster, Warren and Wayne</b>		523 Ulster
1,718	Warren	714	1,162
		67.0	
10	<b>Long Island</b>		28,886
		71.8	
	<b>Rest of State</b> (excluding NYC and LI)		81,177
		66.3	
	<b>New York State</b> (excluding NYC; but including LI)		110,063
		67.7	

**Description:** This table reports the percentage of 2003-04 high school graduates who satisfied the requirements established by New York State for award of a Regents endorsed local diploma. The requirements for awarding the Regents diploma consist of the completion of appropriate credits, coursework, and Regents examinations. The number of completers represents the number of high school graduates who received diplomas.

**Source:** *New York State Education Department Board of Regents (2005d). Statistical Profiles of Public School Districts (Chapter 655). Albany, NY: The University of the State of New York-The State Education Department.*

**Method of Ranking:** Long Island was compared to the other 55 counties of New York State (excluding New York City) by ranking percentage of graduates earning a Regents Diploma from highest (1) to the lowest (56).

**2003-04 Key Facts:**

1. Long Island ranked above the statewide median in the percentage of high school students graduating with a Regents diploma.
2. According to the data represented in the Statistical Profiles of Public School Districts (Chapter 655), 15 years ago (during the 1988-89 school year) only 41% of Long Island students graduated with a Regents diploma. In 2003-04, the percentage of Long Island high school graduates who earned a Regents diploma was 71.8%.

**TABLE 6**

**Percentage of High School Graduates Entering Post-Secondary Education**

Rank	County	Number of Completers	%
1	Rockland	93.2	2,776
56	Schuyler		146 71.2
Median <sup>28</sup>	Clinton	858	82.8
3	Long Island	90.4	28,886
	Rest of State (excluding NYC and LI)	84.2	81,177
	New York State (excluding NYC; but including LI)	85.9	110,063

**Description:** This table compares the percentage of 2003-04 high school graduates entering post-secondary education (4-year, 2-year and other post-secondary education) as reported in the summer of 2004 by high school principals on Long Island and in counties statewide. The number of completers represents the number of high school graduates who received diplomas.

**Source:** *New York State Education Department Board of Regents (2005d). Statistical Profiles of Public School Districts (Chapter 655). Albany, NY: The University of the State of New York-The State Education Department.*

**Method of Ranking:** Long Island was compared to the other 55 counties of New York State (excluding New York City) by ranking percentage of graduates continuing post-secondary education from highest (1) to the lowest (56).

**2003-04 Key Facts:**

1. Long Island ranked 3rd highest in the percentage of graduates entering post-secondary education in 2004.
2. According to the Statistical Profiles of Public School Districts (Chapter 655), only 9.6% of Long Island graduates did not plan to continue their education after high school graduation in 2004.

**TABLE 7**

**Drop Out Rate**

Rank	County	Enrollment	%
1	Hamilton	623	0.6
56	Montgomery	7,952	5.6
Median28	Jefferson	18,111	2.6
8	Long Island	474,933	2.0
	Rest of State (excluding NYC and LI)	1,333,005	2.7
	<b>New York State</b> (excluding NYC; but including LI)		
1,807,938		2.5	

**Description:** The drop out rate indicates the percentage of students enrolled in high school (grades 9-12) who left school in 2003-04 prior to graduation without entry into another school or alternative program. Areas with the lowest percentage of students who do not complete high school are ranked closer to 1.

**Source:** *New York State Education Department Board of Regents (2005d). Statistical Profiles of Public School Districts (Chapter 655). Albany, NY: The University of the State of New York-The State Education Department.*

**Method of Rankings:** Long Island is compared to the other 55 counties of New York State (excluding New York City) by ranking the percentage of drop outs from lowest (1) to the highest percentage (56).

**2003-04 Key Facts:**

1. Long Island was below the statewide median in the percentage of high school students reported as dropping out of school in the 2003-04 school year.
2. Forty-eight counties statewide reported a higher drop out rate than Long Island.
3. According to the Statistical Profiles of Public School Districts (Chapter 655) reports, the drop out rate for Long Island has remained at or below 2% since 1995-96.

**TABLE 8**

**Youth Risk Indicators and Outcome Measures Among Long Island's Least Wealthy and Wealthiest School Districts**

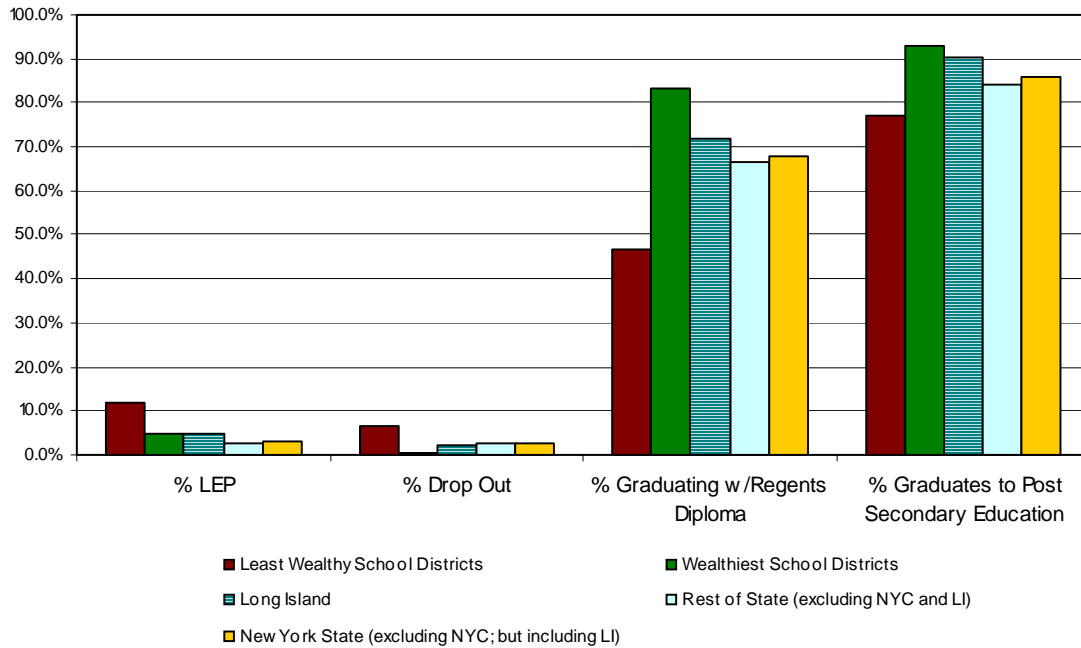
County	% Limited English Proficient (LEP)	%Drop Out
%Students Graduating w/Regents Diploma	%Graduates to Post-Secondary Education	
<b>Least Wealthy School Districts</b> (9 districts) Total Enrollment = 70,003	12.0	6.7
77.2		46.9
<b>Wealthiest School Districts</b> (9 districts) Total Enrollment = 23,426	4.8	0.6
		83.4
		92.9
<b>Long Island</b>	5.0	2.0
	71.8	90.4
<b>Rest of State</b> (excluding NYC and LI)	2.5	2.7
	66.3	84.2
<b>New York State</b> (excluding NYC; but including LI)		
67.7		3.1
		2.5
		85.9

**Description:** Least Wealthy Districts are those Long Island K-12 school districts with the lowest combined wealth ratios (CWRs) and student enrollment at 1,500+. Wealthiest Districts are those Long Island school districts with the highest CWRs and student enrollment at

1,500+. See Appendix F – Data Selection and Presentation for a list of the nine least wealthy and the nine wealthiest K-12 school districts on Long Island used for this analysis.

**Source:** *New York State Education Department Board of Regents (2005d). Statistical Profiles of Public School Districts (Chapter 655). Albany, NY: The University of the State of New York-The State Education Department.*

### Youth Risk Indicators and Outcome Measures Among Long Island's Least Wealthy and Wealthiest School Districts



### Youth Risk Indicators and Outcome Measures Among Long Island's Least Wealthy and Wealthiest School Districts

#### 2003-04 Key Facts:

1. The nine least wealthy districts on Long Island educate nearly 47,000 more students than the nine wealthiest districts on Long Island.
2. Least wealthy school districts on Long Island served a higher percentage of LEP students (12.0%) than Long Island as a whole (5.0%) and, as a group, served the highest percentage of LEP students in the State.
3. The drop out rate in the least wealthy school districts on Long Island (6.7%) was approximately 6 percentage points greater than that of the wealthiest districts (0.6%), and approximately 4 percentage points greater than New York State (2.5%).
4. The percentage of high school graduates in Long Island's least wealthy school districts earning a Regents diploma in 2004 (46.9%) was well below the statewide median (67.0%, see Table 5) and nearly half of the percentage of students earning a Regents diploma in Long Island's wealthiest school districts (83.4%).

5. Long Island's percentage of graduates entering post-secondary education ranked third in the State in 2004; however, for this same year the percentage of students educated in Long Island's least wealthy districts and planning to enter post-secondary education (77.2%) was below the statewide median (82.8%, see Table 6) and about 16 percentage points below Long Island's wealthiest school districts.

**TABLE 9**

**Regional Cost Differences**

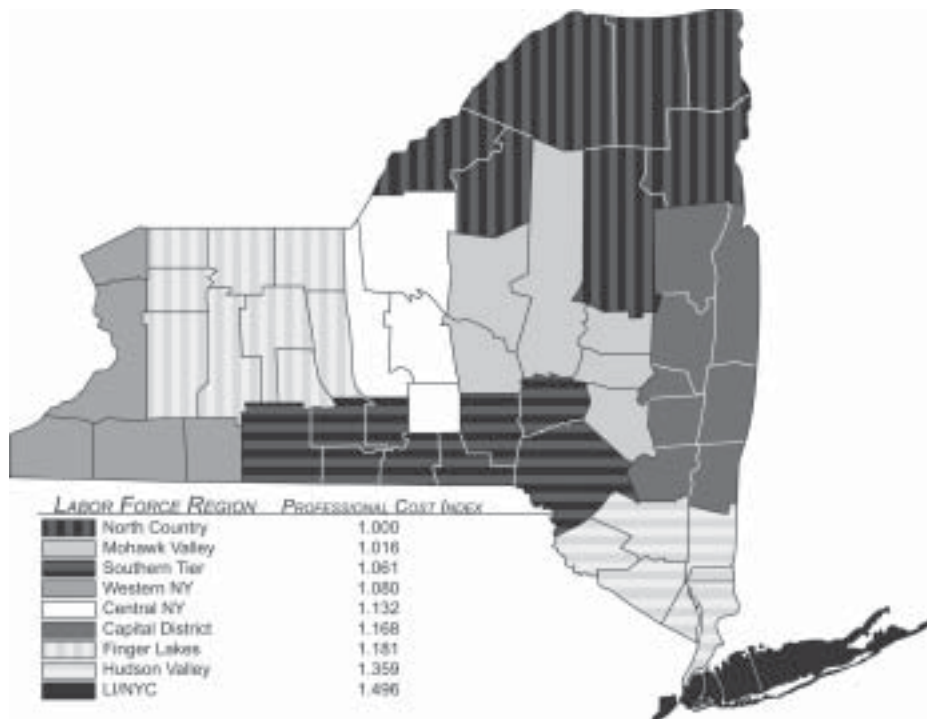
(Based on the Professional Cost Index for New York State Labor Force Regions)

Rank	Labor Force Region	Index Value	Purchasing Power of \$1,000
1	North Country	1.000	\$1,000
9	Long Island/ NYC	1.496	\$668
Median	Central New York	1.132	\$883

Description: This table presents cost differences by region as determined by the professional cost index (2004). The professional cost index reflects the professional service costs throughout the nine labor force regions of the State. The Professional Cost Index is based on median hourly wages for non-education professional titles statewide obtained from the 2001 Occupational Employment Survey for New York State. The index begins at 1.00, being the labor force region with the lowest cost.

Source: New York State Education Department Board of Regents (2003a). Regents Proposal on State Aid to School Districts 2005-06.

Method of Ranking: The nine Labor Force Regions were ranked by purchasing power using a professional cost index derived from the New York State Education Department Regents State Aid Proposal, 2005-06. Those Labor Force Regions with the lowest professional cost index are ranked closest to 1.



**2003-04 Key Facts:**

1. The purchasing power of \$1,000 in North Country, the lowest cost region in the State, is 49.7% greater than the purchasing power of \$1,000 in Long Island/NYC.
2. The purchasing power of \$1,000 in Central New York, the cost region at the median is 32.2% greater than the purchasing power of \$1,000 in Long Island/NYC.
3. State aid dollars have less purchasing power on Long Island than any other region in the State.

**TABLE 10****Comparative School Teacher Wage Data****Elementary School Teachers Wage Data**

<b>Region</b>	<b>Entry *</b>	<b>Mean</b>	<b>Experienced**</b>
<b>Long Island</b>	\$43,340	\$67,370	\$79,380
<b>New York State</b> (including NYC)	\$39,170	\$67,180	\$81,190

**Description:** Wage data for elementary, middle and secondary school teachers, and all other occupations are based on the Occupational Employment Statistics (OES) survey, which collects information from approximately 57,000 businesses. The New York State Department of Labor collected data in 2001, 2002, 2003 and 2004, and then updated to the fourth quarter of 2005 by making cost-of-living adjustments. These wage estimates reflect New York State's minimum wage of \$6.75. Retrieved August 3, 2006 from <http://www.labor.state.ny.us/workforceindustrydata/apps.asp?reg=lon&app=wages>.

\* Entry wage: The mean (average) of the bottom third of wages in an occupation.

\*\*Experienced wage: The mean (average) of the top two-thirds of wages in an occupation.

**2004-05 Key Fact:**

1. The mean (average) salary for an elementary school teacher on Long Island is \$67,370, which is within 0.3% of the statewide average<sup>i</sup> (\$67,180).

**Middle School Teachers Wage Data**

<b>Region</b>	<b>Entry *</b>	<b>Mean</b>	<b>Experienced**</b>
<b>Long Island</b>	\$46,380	\$68,570	\$79,660
<b>New York State</b> (including NYC)	\$80,200	\$40,650	\$67,020

**2004-05 Key Fact:**

1. The mean (average) salary for a middle school teacher on Long Island is \$68,570, which is within 2.3% of the statewide average<sup>i</sup> (\$67,020).

**Secondary School Teachers Wage Data**

<b>Region</b>	<b>Entry *</b>	<b>Mean</b>	<b>Experienced**</b>
<b>Long Island</b>	\$44,870	\$69,500	\$81,810
<b>New York State</b> (including NYC)	\$82,310	\$41,930	\$68,850

**2004-05 Key Fact:**

1. The mean (average) salary for a secondary school teacher on Long Island is \$69,500, which is within 0.9% of the statewide average<sup>i</sup> (\$68,850).

<sup>i</sup> The New York State mean (average) includes New York City pay rates.

**TABLE 11**

**Long Island Elementary, Middle, and Secondary School Teachers'  
Wage Data Compared to Other Long Island Occupations**

<b>Title</b>	<b>Mean(Average)</b>
Mechanical Engineers	\$76,480
Computer Systems Analysts	\$73,830
Life Scientists, All Other	\$73,300
Network and Computer Systems Analysts	\$73,030
Art Directors	\$72,790
Manufacturing, Technical and Scientific Products	\$72,750
Fashion Designers	\$71,910
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	\$71,510
Physical Therapists	\$71,080
Film and Video Editors	\$70,710
Cost Estimators	\$70,450
Financial Analysts	\$70,440
Editors	\$70,210
Ship Engineers	\$70,180
Speech-Language Pathologists	\$70,100
Market Research Analysts	\$69,640
<b>Secondary School Teachers, Except Special Education</b>	<b>\$69,500</b>
Architects, Except Landscape and Naval	\$69,440
Instructional Coordinators	\$69,330
Environmental Engineers	\$69,130
Engineers, All Other	\$69,090
Industrial Engineers	\$69,040
<b>Middle School Teachers, Except Special Education</b>	<b>\$68,570</b>
Sales Engineers	\$68,500
Landscape Architects	\$68,480
Reinforcing Iron and Rebar Workers	\$68,410
Gas Plant Operators	\$68,390
Budget Analysts	\$68,050
Arbitrators	\$68,000
Urban and Regional Planners	\$67,570
<b>Elementary School Teachers, Except Special Education</b>	<b>\$67,370</b>
Sheet Metal Workers	\$67,350
First-Line Supervisors/Managers of Mechanics, Installers, and Repairers	\$67,250
Registered Nurses	\$67,070
Social and Community Service Managers	\$66,860

**TABLE 11 Long Island Elementary, Middle, and Secondary School Teachers' Wage Data  
Compared to Other Long Island Occupations**

Title	Mean(Average)	
Dental Hygienists		
\$66,770		
Network Analysts	\$66,760	
Captains, Mates, and Pilots of Water Vessels	\$66,330	
Technical Writers		\$66,220
Accountants & Auditors	\$66,020	
Business Operations Specialists	\$65,520	
Postmasters and Mail Superintendents		
\$65,470		
Chemists	\$65,460	
Medical Scientists, Except Epidemiologists	\$65,360	
Computer Programmers	\$64,900	
Operations Research Analysts	\$64,320	
Court Reporters	\$63,070	

**Source:** The source of all salary data is the New York State Department of Labor. Wage data by occupation are based on the Occupational Employment Statistics (OES) survey, which collects information from approximately 57,000 businesses. The New York State Department of Labor collected data in 2001, 2002, 2003 and 2004, and then updated to the fourth quarter of 2005 by making cost-of-living adjustments. Retrieved August 3, 2006 from <http://www.labor.state.ny.us/workforceindustrydata/apps.asp?reg=lon&app=wages>.

**2004-05 Key Fact:**

1. Mean (average) wages for teachers on Long Island are comparable to wages in a wide variety of non-education occupations.

**TABLE 12**

**Adjusted Per Pupil Expenditures**

Rank Adjusted	County	Per
	Pupil Expenditures Adjusted	
<b>1</b> (19-unadj.) <b>Dutchess</b>		<b>\$8,653</b> (\$11,759-unadj.)
<b>56</b> (56-unadj.) <b>Hamilton</b>		<b>\$21,861</b> (\$21,861-unadj.)
<b>Median 28</b> (52-unadj.)		
	Putnam	
		<b>\$10,727</b> (\$14,578-unadj.)
<b>14</b> (53-unadj.) <b>Long Island</b>		<b>\$10,017</b> (\$14,986-unadj.)

**Description:** This table reports the adjusted per pupil expenditures for Long Island compared to the other 55 counties (excluding New York City). The unadjusted rank and unadjusted per pupil expenditures for the counties listed above are indicated within parentheses below the adjusted figures.

**Source:** New York State Education Department Board of Regents (2005d). *Statistical Profiles of Public School Districts (Chapter 655)*. Albany, NY: The University of the State of New York-The State Education Department.

**Method of Ranking:** Counties were ranked from lowest (1) to highest (56) on total per pupil expenditures. Adjusted rankings were based on the professional cost index derived from 'The Regents Proposal on State Aid to School Districts for School Year 2005-06'.

**2003-04 Key Facts:**

1. Regionally adjusted per pupil expense by county in New York State ranged from a low of \$8,653 in Dutchess to a high of \$21,861 in Hamilton.
2. Long Island's adjusted per pupil expenditure (\$10,017) ranked 14<sup>th</sup> lowest among the 56 counties of the State.
3. Long Island's regionally adjusted per pupil expense was approximately 6.6% below the regionally adjusted pupil expenditure of the county at the statewide median.

**TABLE 13**

**Percent Change in Per Pupil Expenditures (1994-95 to 2003-04)**

Rank	County	Per Pupil Expenditures 1994-95		Per Pupil
		Expenditures 2003-04	%Change	
1	Wyoming	\$7,672	\$11,845	54.4
56	Fulton	\$10,648	\$10,474	-1.6
Median	28 Sullivan	\$10,875	\$14,349	31.9
49	Long Island			\$12,461
				20.3
		\$14,986		

**Description:** The percent changes in per pupil expenditures on Long Island and the other 55 counties of New York State over the ten-year period from 1994-1995 to 2003-2004 are reported in this table.

**Source:** *New York State Education Department Board of Regents (2005d). Statistical Profiles of Public School Districts (Chapter 655). Albany, NY: The University of the State of New York-The State Education Department.*

*and*

*McCall, Carl (1996). Financial Data for School Year Ended June 30, 1995. Albany, NY: Bureau of Municipal Research and Statistics-New York State Office of the State Comptroller.*

**Method of Ranking:** Long Island and the other 55 counties of New York State (excluding New York City) were ranked from those with the highest ten-year percent increase in per pupil expenditures (1) to those with the lowest ten-year percentage increase (56).

**2003-04 Key Facts:**

1. Long Island was 7<sup>th</sup> lowest of 56 counties in overall percentage increase in per pupil expenditures for this ten-year period.
2. Long Island averaged a 2 percentage point increase per year in per pupil expenditures over the past ten years. The annual average percentage point increase for counties at the median was approximately 3.2 percentage points.
3. Wyoming, the county showing the highest percentage increase in per pupil expenditures during this ten-year period, averaged an increase of approximately 5.4 percentage points annually.

**TABLE 14**

**Percent Change in Student Enrollment (1994-95 to 2003-04)**

Rank	County	Enrollment1994-95 %Change	Enrollment2003-04
1	<b>Westchester</b>	24.4	148,556
56	<b>Delaware</b>	-16.7	6,986
Median28	<b>Oswego</b>	-5.2	24,538
3	<b>Long Island</b>	18.4	474,933
	<b>Rest of State</b> (excluding NYC and LI)	2.4	1,333,005
			<b>New York</b>
	<b>State</b> (excluding NYC; but including LI)		
	1,702,931		
	1,807,938		6.2

**Description:** This table reports the percent increase (or decrease) in student enrollment for the years between 1994-95 and 2003-04.

**Source:** *New York State Education Department Board of Regents (2005d). Statistical Profiles of Public School Districts (Chapter 655). Albany, NY: The University of the State of New York-The State Education Department.*

*and*

*McCall, Carl (1996). Financial Data for School Year Ended June 30, 1995. Albany, NY: Bureau of Municipal Research and Statistics-New York State Office of the State Comptroller. (1994-95 enrollment).*

**Method of Ranking:** Long Island and the other 55 counties of New York State (excluding New York City) were ranked from those with the highest enrollment increases over the decade (1) to those with the lowest enrollment increases (56).

**2003-04 Key Facts:**

1. Long Island has experienced some of the highest enrollment growth rates of any county percentage in the State over the last decade. Long Island ranked 3<sup>rd</sup> highest of 56 counties in enrollment percent increase over the ten year period (1994-95 to 2003-04).
2. While Long Island was experiencing double-digit percentage increases in student enrollment over the last decade, 71.4% of the other counties (40 counties) experienced no growth or a decline in student enrollment.
3. With a student enrollment of 474,933, Long Island educated 26.3% of the State's total 2003-04 student enrollment (excluding New York City enrollments).

**TABLE 15**

**State Aid as a Percentage of School District Revenues**

Rank	County	Enrollment	%
1	<b>Lewis</b>	4,597	66.2
56	<b>Hamilton</b>	623	11.4
Median	<b>Wayne</b>	17,784	53.0
51	<b>Long Island</b>	474,933	24.4
	<b>Rest of State</b> (excluding NYC and LI)	1,333,005	41.5
			<b>New York</b>
	<b>State</b> (excluding NYC; but including LI)		
		1,807,938	36.4

**Description:** This table contrasts the percentage of school districts' total revenues coming from state aid in 55 NYS counties and Long Island. The state aid calculated in this table excludes STAR revenue, revenues from the State for school tax relief payments.

**Source:** *New York State Education Department Fiscal Analysis and Research Unit (FARU). Fiscal Reporting System Masterfile, 2004 [Data file]. Available from FARU website <http://oms32.nysed.gov/faru/Profiles/17th/webMasterfile0304.xls>.*

**Method of Ranking:** Long Island and the other 55 counties of New York State (excluding New York City) were ranked from those whose school districts receive the greatest percentage of state aid revenue (1) to those receiving the smallest percentage of state aid revenues (56).

**2003-04 Key Facts:**

1. The State share of school district revenues on Long Island (24.4%) continues to be among the six smallest in the State.

**TABLE 16**

**2003-04 School District Revenues and STAR Subsidies**

	State Aid Receipts	STAR Subsidy Receipts	Total Receipts from State	Federal
Aid Receipts	Property Tax Levy & Other Revenue		Total Revenue	
Nassau County	594,038,537	2,942,736,152	3,536,774,689	909,047,181
Suffolk County	83,648,069	1,273,496,395	1,357,144,464	1,599,249,306
Long Island	106,496,549	1,867,534,932	1,974,031,481	2,508,296,487
Rest of State (excluding NYC and LI)	190,144,618	5,586,453,933	5,776,598,551	17,327,271,409
New York State (excluding NYC; but including LI)	8,966,303,359	967,245,040	9,933,548,400	2,142,197,605
	11,474,599,846	1,157,389,658	12,631,989,504	
	25,612,166,447			

**Description:** State Aid Receipts + STAR Subsidy Receipts = Total State Receipts. However, as STAR receipts are a state subsidy of certain residential property owners' school taxes, the STAR receipts are also included in the Property Tax Levy & Other Revenue. As a result, Total Revenue = State & Federal Aid Receipts + Property Tax Levy & Other Revenue.

**Source:** New York State Education Department Fiscal Analysis and Research Unit (FARU). Fiscal Reporting System Masterfile, 2004 [Data file]. Available from FARU website, <http://oms32.nysed.gov/faru/Profiles/17th/webMasterfile0304.xls>.

**2003-04 Key Facts:**

1. STAR subsidies to certain residential property owners on Long Island amounted to nearly \$641 million. If these STAR subsidies had been paid directly to school districts in the form of state aid, the amount of funds that school districts needed to raise from local property taxes and other revenues would have decreased by nearly \$641 million or more than 11%. STAR subsidies provide no school tax relief for commercial property owners.
2. The State share of funding on Long Island is 32.8% if STAR is included; it is 24.4% if STAR is not included, versus 46.4% and 39.6% respectively for the Rest of the State and New York State.
3. Long Island's share of total state aid is 12.7% when New York City is included and 20.0% when New York City is excluded.
4. When New York City is included, the share of state aid directed to Long Island (12.7%) is less than the percentage of the State's students being educated on Long Island (16.7%).

When New York City is excluded, the share of state aid directed to Long Island (20.0%) is less than the percentage of the State's students being educated on Long Island (26.3%).

**TABLE 17**

**Annual Taxable Sales and Purchases**

Rank	County	Annual Taxable Sales (reported in thousands)
1	Hamilton	\$69,212

56	<b>Long Island</b>	\$39,263,076	
Median28	<b>Wayne Long Island</b>		\$737,730
	<b>Nassau</b>	\$39,263,076	
	<b>Suffolk</b>	\$19,271,475	
	<b>Rest of State</b> (excluding NYC and LI)	\$19,991,601	
		\$93,751,911	

**New York**

**State** (excluding NYC; but including LI)

\$133,014,987

**Description:** The total annual sales and purchase statistics for the year between March 2001 and February 2002 on Long Island and the other New York State counties (excluding New York City) are summarized in this table. New York State imposes a 4% sales and compensating use tax (state sales tax).

**Source:** *New York State Department of Taxation and Finance (2005a). Annual Statistical Report Taxable Sales and Purchases, County and Industry Data, 3/2001-2/2002. Albany, NY: New York State Department of Taxation and Finance.*

Retrieved February 2006 from [http://www.tax.state.ny.us/pdf/stats/stat\\_excise/taxable\\_sales\\_and\\_purchases\\_march2001\\_february2002.pdf](http://www.tax.state.ny.us/pdf/stats/stat_excise/taxable_sales_and_purchases_march2001_february2002.pdf).

**Method of Ranking:** Long Island and the other 55 counties of New York State (excluding New York City) were ranked from those with the lowest annual taxable sales and purchases (1) to those with the highest (56).

**2002 Key Facts:**

1. Long Island ranked the highest in the State in annual taxable sales and purchases.
2. Long Island generated 53 times the annual taxable sales and purchases as the median county in the State.
3. Long Island accounted for nearly 30% of the annual taxable sales in the State (excluding New York City).
4. Given the 4% State sales tax rate in 2002, Long Island's annual sales and purchases generated approximately \$1.57 billion in State revenues.

**TABLE 18****Total State Income Tax Paid by Full Year Residents**

<b>Rank</b>	<b>County</b>	<b>Tax Paid</b> (reported in thousands)
1	<b>Hamilton</b>	\$2,584
56	<b>Long Island</b>	\$3,958,573
Median28	<b>Jefferson</b>	\$40,999
	<b>Long Island</b>	\$3,958,573
	<b>Nassau</b>	\$2,251,831
	<b>Suffolk</b>	\$1,706,742
	<b>Rest of State</b> (excluding NYC and LI)	\$6,952,179
	<b>New York State</b> (excluding NYC; but including LI)	\$10,910,752

**Description:** The total State income tax paid by full year residents (tax year 2002) by county (excluding New York City) are summarized in this table.

**Source:** *New York State Department of Taxation and Finance (2005b). New York State Adjusted Gross Income and Tax Liability: Analysis of State Personal Income Tax returns by Place of Residence, County Tables 2002.* Albany, NY: New York State Department of Taxation and Finance. Retrieved February 2006 from [http://www.tax.state.ny.us/pdf/stats/stat\\_pit/cor/analysis\\_of\\_2002\\_ny\\_state\\_personal\\_income\\_tax\\_returns\\_by\\_place\\_of\\_residence.pdf](http://www.tax.state.ny.us/pdf/stats/stat_pit/cor/analysis_of_2002_ny_state_personal_income_tax_returns_by_place_of_residence.pdf).

**Method of Ranking:** Long Island and the other 55 counties of New York State (excluding New York City) were ranked on the total State income tax paid by full year residents from the lowest (1) to the highest (56).

**2002 Key Facts:**

1. Nassau, Suffolk, and Westchester continue to be the three counties with the highest state income tax liability of all counties in the State (excluding New York City).
2. Long Island accounted for 36% of State income tax paid by residents of the State outside of New York City in 2002.
3. Nassau County's State income tax liability was nearly 55 times the median for all counties and Suffolk County's State income tax liability was about 42 times the median for all counties.
4. Long Island residents paid approximately \$4 billion in State income taxes in 2002.

**References****This report contains an analysis of verified data from the following sources:**

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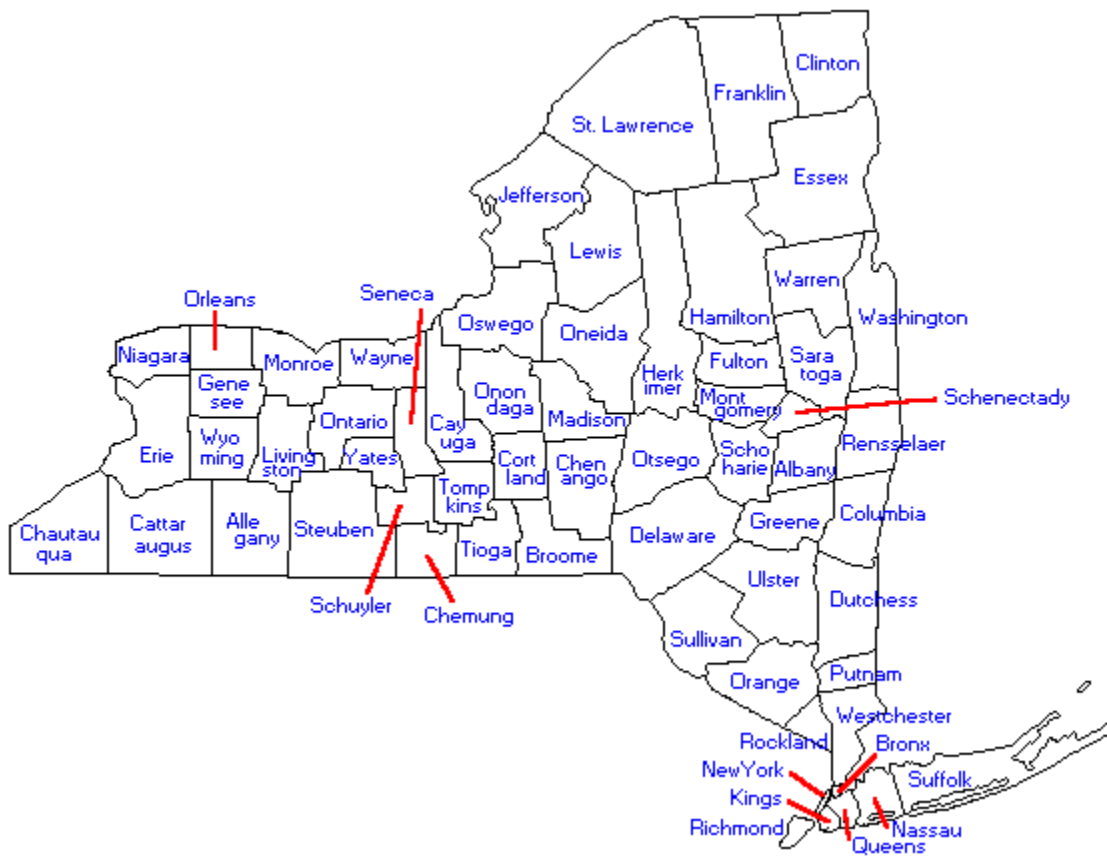
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# APPENDICES

## Appendix A

### New York State County Enrollment Figures (2004)



**Source:** New York State Education Department Board of Regents (2005d). *Statistical Profiles of Public School Districts (Chapter 655)*. Albany, NY: The University of the State of New York-The State Education Department.

Albany	42,068	Herkimer	11,137	St. Lawrence	16,880
Allegany	8,124	Jefferson	18,111	Saratoga	35,232
Broome	32,024	Lewis	4,597	Schenectady	23,231
Cattaraugus	16,042	Livingston	9,656	Schoharie	5,441
Cayuga	11,619	Madison	11,883	Schuyler	2,281
Chautauqua	23,251	Monroe	121,649	Seneca	5,178
Chemung	13,032	Montgomery	7,952	Steuben	18,742
Chenango	9,629	Nassau	211,771	Suffolk	263,162
Clinton	13,164	New York City	1,028,546	Sullivan	11,391
Columbia	9,464	Niagara	34,891	Tioga	8,764
Cortland	7,576	Oneida	37,339	Tompkins	12,569
Delaware	6,986	Onondaga	78,532	Ulster	28,378
Dutchess	47,527	Ontario	17,995	Warren	11,107
Erie	141,512	Orange	66,617	Washington	10,495
Essex	4,840	Orleans	7,930	Wayne	17,784
Franklin	8,640	Oswego	24,538	Westchester	148,556
Fulton	9,670	Otsego	9,251	Wyoming	5,486
Genesee	10,325	Putnam	16,948	Yates	2,994
Greene	7,647	Rensselaer	23,167	<b>Long Island</b>	<b>474,933</b>
Hamilton	623	Rockland	42,540		

## Counties & Enrollments

### Appendix B

### Professional Cost Index

#### Professional Cost Index for New York State by Labor Force Region 2003 REGIONAL COST DIFFERENCES – How much will \$1,000 buy?

Labor Force Region	Purchasing Power of \$1,000 by Region (2004)		Index Value
North Country	1.000	\$1,000	
Mohawk Valley \$984			1.016
Southern Tier	1.061	\$942	
Western New York \$925	1.080		
Central New York	1.132	\$883	
Finger Lakes	1.181	\$847	
Capital District	1.168	\$856	

Hudson Valley	1.359	\$735
Long Island/New York City	1.496	\$668

**Source:** NYSED Regents State Aid Proposal, 2005-06

### **Regional Cost Adjustment Based on Professional Salaries**

#### **2002-03 Regents Proposal**

A regional cost index [professional cost index] was generated using an approach first developed by education researchers in the state of Oregon. Their method recognized that school districts are often the dominant purchasers of college educated labor in a community. As such, they exercise unusual market influence over the price they pay for such services – a phenomenon that may distort the usual “free-market” model. For this reason, teacher salaries were specifically *excluded* from the construction of the index, and selected professional salaries used as a proxy for regional cost.

The [1999] index [initially] included 77 titles for which employment at the entry level typically requires a bachelor’s degree, and excludes teachers and categories that tend to be restricted to federal and state government. The wage data are provided by the Bureau of Labor Statistics and are drawn from the 1998 Occupational Employment Statistics (OES) Survey. [The 2003 index includes 63 titles for which employment at the entry level typically requires a bachelor’s degree, and excludes teachers and categories that tend to be restricted to federal and state government. The wage data are provided by the Bureau of Labor Statistics and are drawn from the 2001 OES Survey]. The OES survey is an *establishment* survey and according to U.S. Department of Labor analysts, “wages and earnings tend to be more accurately reported in establishment surveys as they are based upon administrative records rather than recall by respondents.” Additionally, the survey is administered on a three-year cycle where each year one third of the establishments are surveyed and wage data are aggregated using a technique known as wage updating. Thus, the approximations of wages become increasingly accurate and are most precise in the third year. The RCI calculations are based on the most accurate data-year in the cycle, and thus inspire confidence that the results are a good representation of the variation in professional service costs around the state. The triennial nature of the data means that the RCI need only be updated in those years in which the most accurate data in the cycle are available (NYSED Board of Regents, 2003b; 2003c).

### **Appendix B**

#### **Professional Cost Index**

### **Appendix C**

#### **Combined Wealth Ratio by Long Island School District**

SCHOOL DISTRICT		CWR	Enrollment	
CWR	Enrollment			
<b>Eastern Suffolk BOCES</b>				
1	Brentwood	0.470	17,811	
0.390	2,297			
2		William Floyd	0.550	10,446
0.793		7,565		
3	Central Islip	0.625	6,501	
5,081				
4	Middle Country	0.788	11,025	
5,279				
5	Rocky Point	0.788	3,672	
4,947	25,169			
6	Eastport-South Manor CSD		0.839	3,693
4,396				
7	Patchogue-Medford		0.843	9,241
Amityville	1,174	2,857		
8		Longwood	0.857	10,060
7,633				
9		East Islip	0.874	5,352
10	Center Moriches			
0.904	1,410			
10	Babylon			
1.354	2,017			
11		Comsewogue	0.933	3,994
4,163				
12		South Country	0.939	4,751
Huntington		1,385	6,212	
13	West Islip		0.970	5,946
10,595				
14		Islip	0.980	3,671
3,692				
15	Miller Place		0.982	3,140
10,023				
16		Sachem	0.985	15,665
				<b>116,378 66.77%</b>
17	Bay Shore	1.004	5,921	
4,254				
18		Connetquot	1.089	7,198
2,138				
19		Sayville	1.111	3,572
<b>92,309</b>				
20	East Moriches	1.114	791	
21	Bayport-Blue Point		1.121	2,552
22	Mount Sinai		1.159	2,469
23	Shoreham-Wading River			1,248
				2,713
24	Riverhead	1.369	4,935	
25	Three Village		1.458	8,063
26	Hauppauge		1.746	4,198
27		Hampton Bays	1.931	1,785
28	Greenport		687	
29	East Quogue		2,256	471
30	Mattituck-Cutchogue		2,420	1,597
31		Southold	2.523	1,024
32	Springs		2,950	581
33		Port Jefferson	2.992	1,215
34	Westhampton Beach		4.130	1,736
35	Tuckahoe Common		4.456	328
36	Sag Harbor		4.495	978
37		Oysterponds	4.959	112
38	Remsenburg		5.030	184
39	Montauk	5.608	374	
40	Shelter Island		7.537	264
41		East Hampton	7.749	1,995
42	Southampton		7.929	1,699
43	Fishers Island	14.664	55	
44	Quogue	16.480	116	
45	Bridgehampton	19.293	157	

SCHOOL DISTRICT			
Western Suffolk BOCES			
1	Wyandanch		
		2	Lindenhurst
		3	Copiague
			0.830
		4	North Babylon
			0.839
5	West Babylon	0.920	
			<b>27.27%</b>
6		Deer Park	1.020
		7	
		8	Commack
			1.277
9	Elwood	1.310	2,628
		11	Kings Park
			1.364
		12	South
		13	Smithtown
			1.443
		14	Harborfields
			1.443
		15	Half Hollow Hills
			1.818
16	Northport	2.021	6,532
		17	Huntington
			2.113
		18	Cold Spring Harbor
			3.276

**Total Western Suffolk BOCES**

**Total Suffolk County**

**266,597**

**UNADJUSTED DATA**

**Source:**

46	Amagansett	20.413	93
47	Fire Island	29.576	47
48	Wainscott*		0.000 0
<b>Aid Website</b>			
49	Little Flower*	0.000	0
50	Sagaponack*	0.000	0
51	New Suffolk*	0.000	0
<b>Total Eastern Suffolk BOCES</b>		<b>174,288</b>	

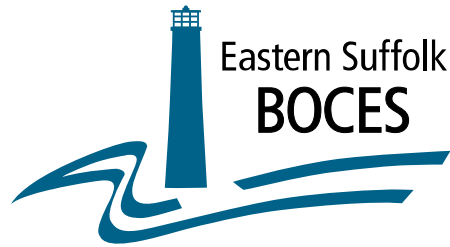
**2005-06 General Formula Aid**  
**Output Report (GEN)**  
**Published on SED State**

\*Information for Wainscott, Little Flower, and New Suffolk were not reported by NYSED.

**Appendix C**  
**Combined Wealth Ratio by Long Island School District**

SUPERVISORY DISTRICT/ 2004-05		2005-06							
SUPERVISORY DISTRICT/ 2005-06		2004-05							
SCHOOL DISTRICT	CWR	Enrollment			SCHOOL DISTRICT	CWR	Enrollment		
<b>Nassau BOCES</b>									
1	Hempstead	0.620	6,784		49				
	Port Washington	2.859	4,850						
2	Roosevelt	0.649	3,254						50
	North Shore	2.947	2,801						
3	Freeport		0.810	6,982	51				Lawrence
3.093	3,520								
4	Elmont	0.9644,041	<b>21,061</b>	<b>9.93%</b>	52	Jericho			
3.111	3,224								
5	Island Trees	1.020	2,855						53
	Great Neck	3.632	6,084						
6	Levittown	1.0348,060			54	Locust Valley	3.699	2,308	
7	Uniondale		1.070	6,470					
55	Manhasset		4.109	2,835					
8	Westbury	1.084	3,915		56	Oyster Bay			
4.167	1,604								
9	North Bellmore	1.106	2,477		<b>Total Nassau BOCES</b>				<b>212,161</b>
10	Plainedge	1.134							
3,620									
11	Valley Stream 24	1.142	1,094		<b>Total Nassau County</b>				
<b>212,161</b>									
12	Sewanhaka	1.166	8,853						
13	Baldwin	1.167	5,539						
14	Wantagh	1.1693,669							
15	Franklin Square	1.172	1,938						





Educational Services That Transform Lives

**Residential Real Property Tax Burden  
for Supporting Public Schools**

**Executive Summary**

**Residential Real Property Tax Burden  
for Supporting Public Schools:**

***A Long Island Perspective***

by Shane Higuera  
Associate Superintendent for Management Services  
Eastern Suffolk BOCES

January 18, 2006

**Re-Issued**

## July 27, 2006 Executive Summary

The author of the original study discovered a flaw in the data analysis. The error was corrected and this report presents the study as it should have been written.

From the Long Island school district budget-vote results for the last two years, it seems clear that property tax fatigue is gaining an increasingly prominent position on the list of obstacles to providing an opportunity for all Long Island students to receive a sound basic education. In preparation for various committee work, the most recent being the Suffolk County School Superintendent's Association's (SCSSA) Task Force on Regional Strategies to Promote School Efficiency and Cost Effectiveness, the author performed a study using 2004-05 state aid data from the New York State Education Department (NYSED) to compare the relative school property tax burden for Long Island residents and residents of the rest of New York State.

### **What's the problem?**

Long Islanders are recognized in the media and elsewhere as suffering from taxpayer fatigue. This characterization is supported by the recent and dramatic increase in the number of school budget failures in both the first and second rounds of voting, resulting in 21 (or 16.8%) of Long Island's 125 school districts compared to 19 (or 3.3%) of the approximately 575 school districts in the rest of the State operating with a contingency budget for the 2005-06 fiscal year. Thus, Long Island, with approximately 18% of the school districts in the State, has 53% of the school districts within the State operating with a contingency budget.

Long Island's school property taxes, as most Long Island taxpayers will agree, can take a significant bite out of our gross incomes. The results of the study that follows indicate that, on average, more than 3.7% of our gross household income goes to pay our residential school property taxes on Long Island, as opposed to just under 2.3% for all households in New York State. If we exclude New York City from the figures – and we should for the sake of fairness<sup>1</sup> – on average, residential school property taxes use up just over 3.1% of New York State residents' gross household income.

In comparative terms, Long Islanders use an average of just under 19.8% more of their gross household incomes to pay their residential school property taxes than New Yorkers in general. For example, a Long Island household earning \$75,000 in gross income paid an average of \$2,788 in residential school property taxes in 2001, whereas a New York State household earning that same \$75,000 paid an average of \$2,328.

### **Why is our residential school property tax burden so high on Long Island compared to the State in general?**

The immediate, though incorrect, hypothesis that comes to mind for many is that Long Island school districts must be spending relatively and significantly more than the average for school districts in New York State. This turns out to be false, with the reality being that for the 2002-03 fiscal year, school districts on Long Island spent an average of \$8,145 per pupil for approved operating expenses, or just 1.9% higher than the State average of \$7,993. These figures have been adjusted by the State-generated Professional Cost Index to equalize the relative purchasing power of a dollar spent on salaries and benefits throughout the State. Salaries and benefits account for approximately 85% - 90% of a school district's approved operating expenses.

Because Long Island school districts on average spend a similar amount on the operation of their schools as do school districts throughout the State in general, the problem, it seems, is not an expense-based problem as so many assume, but rather is a revenue-based problem.

School districts fund their operations with three revenue streams – school property taxes, state and federal aid, and 'other' income such as miscellaneous fees, foster tuitions, and interest dividends. The revenue stream called 'other' is typically quite small as a percentage of the total, and can be set aside from this discussion as immaterial. Other than school property taxes, which are the identified problem, the other main revenue stream is state and federal aid. Therefore, if state and federal aid is relatively lower than it should be, then school property taxes will be relatively higher than they should be. Such is the case on Long Island.

The State aid distribution system has long been recognized by practitioners and lawmakers as dysfunctional and has recently shed the last remaining pretense of being based on rational calculations. The seeds of dysfunction were sown with the ‘freezing’ of ‘regional shares’, which are specific and, so far, essentially fixed percentages of the total State aid pie allocated to specific regions within the State – Long Island’s share is just under 13%. These shares were originally established by the State decades ago based on the then current demographics (student enrollment and school district wealth) within the various regions. To make matters more difficult, the shares did not account for regional cost differences and, therefore, devalue the dollars coming to Long Island.

Unfortunately, the regional demographics changed over time, and the regional shares did not. On Long Island, student enrollment has been increasing steadily for the past two decades to where the region now educates approximately 17% of the students in New York State. Enrollment trends for the rest of the State have generally been flat or decreasing during that same period. Additionally, Long Island has experienced an increase in the market value of real property far greater than any other region within the State. Real property value accounts for 50% of a region’s measure of wealth, based on the mistaken presumption that the real property owner’s current financial wealth is aligned with the real property’s current value. As a result, Long Island appears far wealthier and able to pay taxes than it actually is.

Though the concept of regional shares may have made sense when it was originally established, decades later its fixed nature has resulted in a significant and damaging imbalance among the regions.

### **What should be done immediately to correct this imbalance in the residential real property school tax burden for Long Islanders?**

It is important to note, that a super majority of Long Islanders (65%) recently rated their schools as either good or excellent. Just over 80% of Long Island residents regard the problem of high property taxes as either an extremely serious or serious problem, with 41% citing property taxes as the most important problem facing Long Island. 76% of Long Island residents prefer a cut in services rather than an increase in property taxes, yet 51% favored an increase in school spending while only 7% chose schools as the lowest funding priority.<sup>2</sup>

Long Islanders have been, and continue to be, highly supportive of their schools. They do not want to see the educational services provided by their schools reduced in quantity or quality. However, it is clear that Long Islanders are approaching their breaking point with regard to property taxes.

Long Island cannot afford to wait for the school finance reform ordered by the court for New York City schools, and promised by the Executive and the Legislature for the rest of the State; if other states’ experiences with such efforts may serve as an indication, it will be many years before meaningful reform is achieved. In the meantime, our Long Island contingent of State legislators must be supported in an effort to re-negotiate the regional shares and provide Long Island with its fair share of funding. They must be supported in their fight to prevent political expediency from choking the Long Island economy, which is such an important part of the engine that drives the financial health of New York State.

## **Appendix E**

### **K-12 Costs and Outcomes Additional Subcommittee Member Commentary**

**From:** Cmr1234@aol.com [mailto:Cmr1234@aol.com]  
**Sent:** Wednesday, August 02, 2006 4:21 PM  
**To:** Bixhorn, Gary  
**Subject:** K-12 Cost and Outcomes Report

August 2, 2006

Gary D. Bixhorn, COO  
Eastern Suffolk BOCES  
201 Sunrise Highway  
Patchogue, NY 11772  
gbixhorn@esboces.org

**RE: K-12 Cost and Outcomes Additional Subcommittee Member Commentary**

The elephant in the room is illiteracy. It was in 1930 that U.S. education leaders switched reading methods from phonics to whole-word memorizing strategies, affecting all students: The illiteracy rejection rates of our armed services climbed from 2% in 1930 to 27%-40% in 1970. Aside from sagging averages, the number of SAT-Verbal scores above 750 (our best and brightest) dropped more than 50% between 1970 and 2000, On L.I., most special-education placements are for reading failure, and we are also battling youth gangs. Police in both Counties are aware of the connection between illiteracy and violent behaviors but have been unsuccessful in enlisting the help of L.I. educators. I have tested over 300 students on L.I. who have a type of dyslexia related to early reading training, described in the National Reading Panel (2000) report and identified by researchers at Yale Medical Center, but not yet recognized by our education system. Most of these were youth involved in the Justice system. I am pioneering a new type of test (consistent with Yale research) which quantifies this disability, and indicates prevention-remediation strategies. ([www.TLC.LI/Under-Achievement](http://www.TLC.LI/Under-Achievement))

For further information, feel free to contact:

Charles M. Richardson, B.S., M.S., P.E.  
631-650-2952, FAX -2899  
[crichardson@ieee.org](mailto:crichardson@ieee.org) , [www.TLC.LI](http://www.TLC.LI)

## Appendix F

### Data Selection and Presentation

#### New York City Excluded in Data Analysis

The academic performance of students in New York City, as well as the method by which the city finances its education, are so different from the other counties in the State, that New York City has traditionally been treated as a separate system that has its own share.

#### Rankings

The following tables feature rankings of the 55 counties and Long Island:

- Tables 4-7
- Tables 12-15

- Tables 17-18

Depending on the data under analysis, the ranking scale of 1 to 56 may differ from table to table. In some cases 1 represents the highest, while 56 represents the lowest. In other instances, 1 is the lowest and 56 is the highest. The tables listed above include descriptions explaining which scale was selected to depict the data within the table.

### Key Facts

The key facts listed under each table emphasize verified data that support Long Island’s priorities for statewide school finance reform.

### Long Island’s Least Wealthy and Wealthiest School Districts (2003-04)

The Least Wealthy School Districts represent Long Island K-12 school districts with the lowest combined wealth ratios (CWRs) and student enrollment at 1,500+. Wealthiest School Districts are those Long Island school districts with the highest CWRs and student enrollment at 1,500+. Out of the 125 school districts on Long Island, 89 school districts met the criteria selected for this analysis. The data for the top 10% (approximately) and the bottom 10% (approximately) of these 89 school districts were analyzed in Tables 3 and 8.

The Least Wealthy K-12 Long Island school districts meeting the selection criteria are (lowest to highest CWR):

School District	CWR
Wyandanch	0.339
Brentwood	0.436
William Floyd	0.471
Roosevelt	0.518
Hempstead	0.554
Central Islip	0.589
North Babylon	0.655
Middle Country	0.711
Freeport	0.714

The Wealthiest K-12 Long Island school districts meeting the selection criteria are (highest to lowest CWR):

School District	CWR
East Hampton	6.807
Southampton	6.311
Oyster Bay	4.820
Manhasset	4.603
Locust Valley	4.433
Great Neck	3.815
Westhampton Beach	3.603
Cold Spring Harbor	3.597
Jericho	3.366

## Appendix G

### *LIEC BACKGROUND AND MEMBER ORGANIZATIONS*

In January 1996, a report entitled Long Island Education: Data and Facts on Costs and Outcomes was issued jointly by the Long Island Association (LIA), the region’s largest business and civic organization, and the Long Island Education Coalition (LIEC), an organization of groups representing parents, teachers, school board members, and school administrators. By jointly reviewing, compiling, and publishing a common statement of facts about education in the region, the report significantly improved the tone of the discussion about the public educational system. The report did not end debate about education on Long Island, but rather grounded it in reality. Its impact was to shift the tenor of the discussion from one of accusation and rebuttal, to one that focused on issues, problems, and resolutions.

The LIEC includes the following organizations:

Council of Administrators and Supervisors  
Eastern Suffolk BOCES  
Long Island Association of School Personnel Administrators  
Long Island School Public Relations Association  
Nassau Association of School Business Officials  
Nassau County BOCES  
Nassau County Council of School Superintendents  
Nassau County Elementary School Principals Association  
Nassau County Secondary School Administrators Association  
Nassau Region PTA  
Nassau-Suffolk School Boards Association  
New York State United Teachers (Nassau/Suffolk)  
Reform Educational Financing Inequities Today (R.E.F.I.T)  
School Administrators Association of New York State (Nassau-Suffolk)  
SCOPE Educational Services  
Suffolk Association of School Business Officials  
Suffolk County High School Principals Association  
Suffolk County School Superintendents Association  
Suffolk Region PTA  
Western Suffolk BOCES

## **Appendix H**

### **Previous “Cost and Outcomes” Reports**

***Long Island Education:***

***Facts on Costs and Outcomes and Regional Priorities for State Aid Reform – February 2005***

Long Island Education Coalition / Long Island Association

***Long Island Education: Facts on Costs and Outcomes, An Update – March 2003***

Long Island Association / The Long Island Education Coalition

***Reform of Educational Funding in New York State: Providing a Sound, Basic Education for All Children-  
December 2003***

NCCSA and SCSSA.

***Long Island Education: Facts on Costs and Outcomes, An Update – October 2000***

Long Island Association / The Long Island Education Coalition

***Proposal to Apply Regional Cost Index to State Comprehensive Operating Aid Formula***

***Long Island Education: Facts on Costs and Outcomes, An Update – February 1998***

The Long Island Education Coalition

***Long Island Education: Data and Facts on Costs and Outcomes – January 1996***

Prepared by a Joint Committee of The Long Island Association and The Long Island Education Coalition

**(Footnotes)**

<sup>1</sup> New York City uses its general fund

- which receives property, income, and sales taxes, rather than just property taxes
- to finance the local portion of its schools

<sup>1</sup> expenses. Therefore, its property tax is not the main source of its local effort, as it is elsewhere.

<sup>2</sup> Long Island Index, “At the Breaking Point? Taxation and Governance on Long Island” November 2005