

NEW YORK STATE RURAL SCHOOL SUPERINTENDENTS' PERCEPTIONS OF THEIR
ABILITY TO FUND INSTRUCTIONAL PROGRAMS AND ADVANCED COURSE
OFFERINGS SINCE THE ENACTMENT OF
THE PROPERTY TAX CAP LEGISLATION OF 2011

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Abstract

This quantitative study investigated the perceptions of the rural school superintendents in New York State on their ability to fund instructional programs and advanced course offerings for their students since the enactment of the Property Tax Cap Legislation of 2011. A survey design was used for this study.

This study was done in an attempt to add to the understanding of the impact the New York State Property Tax Cap Legislation has had on the rural school districts' ability to maintain advanced course offerings and instructional programs.

The survey was sent to the 276 superintendents in NYS whose districts were members of the New York State Rural Schools Association. There were 68 who responded to the survey.

The superintendents in this study expressed a high level of concern about their districts' ability to maintain advanced courses and current level of programming due to the implementation of the Property Tax Cap Legislation of 2011. The responding superintendents looked at consolidating or pursuing more contractual services with BOCES before looking at other cost-savings measures in order to maintain instructional programs and advanced courses. The superintendents expressed a high value on the use of strategic plans before making decisions about the elimination of programs in their districts. The responding superintendents felt strongly about not reducing early childhood programs in their districts and looked at other cost-saving measures to maintain programs.

In conclusion, more studies are recommended to better understand what the long term effect of the Tax Cap Legislation has been on rural school districts in New York State.

Keywords: Tax Levy Limit, Tax Cap, Property Tax Cap Legislation, superintendent, perceptions, advanced placement courses, rural schools, school funding, school finance

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CHAPTER I: INTRODUCTION

This quantitative study investigated the perceptions of rural school superintendents in New York State on their ability to fund instructional programs and advanced course offerings for their students since the enactment of the Property Tax Cap Legislation of 2011. A survey design was used for this quantitative study. The survey was used to collect perceptual data from New York State school superintendents working in rural public schools.

The first chapter includes the purpose of the study, background information, problem statement, the research questions, the significance of the study, definitions of terminology, limitations and delimitations, and the organization of the study.

Purpose Statement

The purpose of this quantitative study was to investigate the perceived impact the Property Tax Cap Legislation had on advanced course offerings, cost-saving measures used by superintendents, the criteria superintendents used in making decisions about eliminating instructional programs, and what superintendents thought about the financial stability of their districts. The New York State Council of School Superintendents (NYSCOSS) (2012) reported: “67 percent of superintendents said that the new Property Tax Levy Cap led their district to adopt a spending level below what would have been done otherwise. Sixty percent said the cap caused their adopted budget to have a more negative impact on programs than would have otherwise occurred” (p. 2).

Background

In 2013-2014, school districts in New York State completed their third budget cycle under the Property Tax Cap Legislation, Chapter 97 of the laws of 2011 (Part A-Property Tax

Cap). “Under this law, the growth in the property tax levy was capped at 2 percent or the Consumer Price Index (CPI), whichever is less, with certain limited exceptions and adjustments” (New York State Department of Taxation and Finance, 2012, p. 4). Local school districts were given the ability to override the property tax cap. The legislation required that 60 percent of the voters had to approve the budget in order to increase the property tax levy above the established cap (New York State Office of the State Comptroller, 2013).

NYSCOSS (2014) stated that “58 percent of superintendents said the tax cap caused their adopted budget to have a more negative impact on programs than would have otherwise occurred (60% reported that impact in 2012)” (p. 3).

NYSCOSS (2014) reported the perception of the superintendents in New York State was that the tax cap had a direct negative impact on their programs. The New York State Association of School Business Officials (NYSASBO) (2014) also stated:

The past six years have been characterized by many events that have affected school revenues: a new State funding formula promising to simplify aid distribution and provide additional funds to educate students who need extra time and help, a global economic collapse followed by short-term federal stimulus funds, state policymakers’ responses to balance the budget and contain the growth of school revenues including the Tax Cap, the Gap Elimination Adjustment, and a limit on the growth of State school aid. Each of these events has affected the actual and projected impact on sources of funding for schools (p.4).

NYSASBO (2014) identified a number of fiscal challenges that New York school districts were facing. NYSASBO (2014) referred to a report released by the State Comptroller’s

Office that stated a number of events including the tax cap affected the source of funding for schools.

A report issued by the State Comptroller says the bottom line is: Schools are facing fiscal challenges that are not likely to dissipate in the short term. Between a tax levy limit that restricts local funding, State and federal aid cuts followed by capped growth administered in a complex and opaque manner, and a lack of other sources of funding, schools are in a period of low revenue growth (p.4).

The effects of the Property Tax Cap resulted in school districts considering different budgeting strategies to maintain fiscal and educational solvency in their districts (NYSCOSS, 2014; NYSASBO, 2014). Surveys conducted by two state organizations, NYSCOSS (2014) and NYSASBO (2014) reported that a number of superintendents in New York perceived their districts were heading towards educational insolvency in the next four years.

It was reported by a NYSCOSS (2012) school finance survey: “Statewide, 18 percent of superintendents foresaw their districts becoming ‘educationally insolvent’ within two years and half anticipated reaching that fate within four years” (p. 3). Educational insolvency is a district’s inability to fund all the instructional and other student service requirements established by laws or regulations approved by the state and federal governments (NYSCOSS, 2014).

The implementation of the Property Tax Cap Legislation raises a number of questions for school districts. How did the limitation of local resources created by the property tax cap affect programs in rural schools? What decisions did superintendents make in regard to maintaining instructional programs in their districts as a result of the tax cap? What effect did three years (2011-2014) of the implementation of the Property Tax Cap Legislation have on the advanced course offerings within the rural school districts? Part of the researcher’s motivation in studying

the Property Tax Cap was to examine the superintendents' perceptions of the effect of the Tax Cap on their school districts.

Problem Statement

This research studied rural public school districts in New York State. The study looked at the perceptions of the rural school superintendents concerning the financial ability of their districts to support advanced course offerings and instructional programs based on the impact of the Property Tax Cap Legislation of 2011.

The study conducted by NYSCOSS (2012) reported cutting advanced or honor classes in 17 percent of the responding districts in 2012-2013. The study also found that “over the past three years, 24 percent of the districts cut at least one advanced placement course in their districts” (NYSCOSS, 2012, p. 5).

According to Sharon Krengel, Policy and Outreach Director at the Education Law Center (2014) stated, “The 2 percent Tax Cap not only prevents districts from mitigating the educational harm caused by the State’s underfunding of the 2007 formula, it also disproportionately harms high need districts with low property wealth” (p.1).

This research problem needs to be studied because the tax cap has had limited study of its impact on school districts and the impact needs to be further investigated due to its relatively recent adoption. “Approximately 92 percent of school district revenues – local taxes and School Aid – are now subject to state imposed growth limits. The property tax levy cap makes it harder for school districts to get voter approval for tax increases” (NYSCOSS, 2012, p.5). The fiscal challenges since the implementation of the Tax Cap in 2011, it was important to understand what effect the Tax Cap legislation had on public school budgets and how districts have managed resources since the law went into effect. What can be learned from the actions of district leaders

as they had to evaluate their district's ability to maintain programs and services since the implementation of the Tax Cap?

Research Questions

This quantitative study examined the perceptions of rural New York State public school superintendents and what they did in their districts to maintain educational stability when faced with the effect of the Tax Cap Legislation on local resources.

The survey questions were designed to guide the study and the data from the survey were used to answer the following research questions:

1. What cost-saving measures did New York State rural public school superintendents report using to maintain instructional programs after the Property Tax Cap Legislation became effective?
2. What criteria were used by New York State superintendents in rural public school districts to make decisions about eliminating instructional programs in their districts as a consequence of the Property Tax Cap Legislation?
3. What effect, if any, did New York State superintendents report that the Property Tax Cap Legislation had on advanced course offerings within rural public school districts?
4. What did New York State superintendents of rural public school districts think about the impact of the Property Tax Cap Legislation on the financial stability of their districts?

Significance of Study

The Property Tax Cap Legislation had been in effect for five years at the time this study was conducted. There is limited research about the impact the legislation has had on rural public school districts in New York State. The study was designed to contribute to a greater

understanding about superintendent perceptions of the impact the Tax Cap legislation has had on rural schools in New York State and their educational programs. The study will consider the superintendents' perceptions about cost-saving measures, decision making, and advanced course offerings superintendents have made during the Tax Levy Cap era.

State organizations such as NYSCOSS (2012, 2014) and NYSASBO (2012) have surveyed public schools about topics that relate to fiscal matters. Due to the scarcity of other relevant research, the survey methodology was intended to study cost-saving measures considered and used by superintendents, the superintendents' perceptions of the financial condition of the districts, the superintendents' perceptions of the effect of the Tax Cap on advanced placement courses, the current financial condition of the districts, and forecasting the districts' abilities to maintain present course offerings. The study examined the challenges of the Tax Cap since its inception in 2012 until 2014. Due to the limited research outside of these state organizations' work, this study was intended to provide insights regarding the perceptions of New York State rural school district superintendents about the actions that they took in their districts during the budget process to maintain academic programs.

Findings from this research will allow policy makers to better understand the effect the Property Tax Cap Legislation has had on rural public school districts in New York State and identify the strategies that superintendents used in their decision making regarding instructional decisions and maintaining advanced placement course offerings. The information gleaned from the survey will help inform superintendents of the current strategies being used in the field.

Definition of Terms

This list provides the definition of terms as used in this study.

BOCES: A Board of Cooperative Educational Services is a public organization that provides shared educational programs and services to New York State school districts. At the time of the study, there were 37 BOCES serving all but nine of the 721 school districts in New York State (NYSED, 2012).

Consumer Price Index (CPI): This is the Consumer Price Index for All Urban Consumers (CPI-U) that is used to implement the tax cap. The CPI-U is released on a monthly basis, generally in the third week of the subsequent month (Bureau of Labor Statistics, 2007).

Educational Insolvency: Educational insolvency refers to a school district's inability to fund instruction, state/federal mandated instructional services, and extra-curricular opportunities for students (NYSCOSS, 2012).

Rural Schools: There are multiple definitions of a rural school. For the purpose of this study, the Rural School Association's definition for its member schools was used, "any New York State school district serving a rural population" (New York State Rural Schools Association, n.d.).

Tax Levy: The tax levy is the amount of property taxes that is levied by a local government or school district on an annual basis.

Limitations and Delimitations

Limitations. Simon and Goes (2013) defined limitations as "constraints that are largely beyond your control but could affect the study outcome" (p. 2). This research was designed to examine the perceptions of the rural school district superintendents in New York State. The population studied in this research included 276 superintendents that were members of the Rural Schools Association.

A limitation of the study was the timing of the administration of the survey. The survey

was sent in July 2014. The timing of the survey may have been a factor in the return rate since a number of superintendents may have been out of the office and unavailable to participate during the administration of the survey. Also any superintendents who retired or left the district during the administration of the survey were not able to respond to the survey because they did not receive the e-mail. The return of completed surveys was something the researcher could not control.

The response rate of 22 percent of the rural school superintendents was a limitation of the study. First, only 22% responded. Only .7% of the respondents completed the all items of the survey. Another plausible reason for the low response rate may have been the technology controls that districts have in place. This may have prevented the e-mails from reaching the superintendents. The inability to receive the e-mail would have prevented superintendents from participating in the study. Some school districts' computer network servers may have sent the e-mail directly to spam folders, reducing the chance of the rural superintendents knowing about the study and participating.

Delimitations. Simon and Goes (2013) defined the delimitation of a study as “those characteristics that arise from limitations in the scope of the study (defining the boundaries)” (p. 4). This research only looked at superintendents' perceptions of the impact the Property Tax Cap Legislation had on rural school districts. Individuals within the school district organization, such as school district board members, school business officials, and principals, were not included in this study.

This study focused solely on the superintendents that were employed in rural school districts in New York State at the time of the survey. Only superintendents whose districts were members of the Rural School Association were contacted.

The researcher defined the boundaries by only studying rural schools in New York State. The researcher studied the perceptions of the rural school district superintendents and not examining other school district superintendents, such as those in suburban and city school districts in this study.

Also, the focus of this study was the effect of the Property Tax Cap legislation. It did not focus on superintendents' perceptions about other forms of finances such as Gap Elimination Adjustment or Foundation Aid that impact school budgets in New York State.

Organization of the Study

This study was divided into five chapters. Chapter One provides an introduction to the study, the purpose of the study, the problem, the background, research questions posed, the significance of the study, definitions of terminology, delimitations and limitations, and the organization of the study.

Chapter Two provides a review of the literature relevant to the history of Tax and Expenditure Limitations, characteristics of tax and expenditure limitations, state models of Tax and Expenditure Limitations, Fiscal Stress Monitoring System, and the impact the Property Tax Cap Legislation had on the funding of advanced placement courses in New York State rural school districts, and strategies and measures used to save costs.

Chapter Three provides the methodology used in the study, including the research questions, the research design, target population, survey instrument, data collection, data analysis, validity and reliability, and researcher bias.

Chapter Four discusses the results of the data analysis as it relates to each of the questions posed in this research study.

Chapter Five is a summary of findings, conclusions, recommendations, and recommendations for further study.

CHAPTER II: LITERATURE REVIEW

Background

Chapter Two presents a review of literature associated with Tax and Expenditure Limits (TELS) as they relate to public schools historically from a national perspective and, in this particular study, to the New York State Property Tax Cap Legislation of 2011.

This chapter is organized into seven subsections: (1) History of TELS, (2) Characteristics of TELS, (3) State Models of TELS, (4) New York's Property Tax Cap, (5) The Fiscal Stress Monitoring System, (6) School Budgets and Advanced Placement and Enrichment Classes, (7) Cost Saving Strategies, and (8) Reserves.

History of Tax and Expenditure Limits

The first subsection examines the history of the Tax and Expenditure Limits used in government. The Tax Policy Center (2009) defined TELS as actions that "restrict the level of growth of government revenues or spending to a fixed numerical target or to increase in an index such as population, inflation, personal income, or some combination of these measures" (p. 1).

According to Deller and Stallman (2006) "Tax limitations on local government had a long history, the oldest being an 1875 limit on the growth property tax rates in Missouri" (p. 1). Yuan, Cordes, Brunori and Bell (2007) stated: "Because public education has traditionally relied on local property taxes for funding, a question as to how TELS affect education has been a topic of research since the first restrictive modern TEL" (p. 1).

Since the mid-1970s, many states including Arizona, California, Colorado, Hawaii, Louisiana, Oregon, Texas, Utah and Washington adopted TELS in an effort to slow or reverse increases in government spending but did not understand that school district revenues were

dependent on property taxes increasing with inflation. “These TELs vary greatly from state to state. They are either statutory or constitutional, some limit tax collections: others govern growth and some do both” (Hill, Sattler, Duritsky, O’Brien and Robey, 2006, p. 11). In 1971, Washington State passed a constitutional amendment restricting property tax to one percent of fair market value. Arizona enacted a TEL that allowed for growth up to 7.23 percent in government spending each year. Ohio passed HB 920 in 1976. This law effectively froze the amount of property taxes that both the local and state governments could collect (Hill et al., 2006). Hill et al. (2006) stated “The most significant impact of this law was it did not allow school districts revenues which were dependent on property taxes to increase with inflation” (p. 38).

In California in the 1960s and 1970s, the greatest amount of the state and local tax burden came from property taxes (O’Sullivan, Sexton and Sheffrin, 1995). O’Sullivan et al. (1995) stated that housing prices in many places in California in the 1970s were soaring at an upward rate of 20-30 percent per year and local governments were slow to lower tax rates (p. 2).

The tax limitation movement that occurred in California was attributed to Howard Jarvis and the Peoples’ Initiative to Limit Property Taxation, more commonly known as Proposition 13 (Mullins & Wallin, 2004). Proposition 13 passed in California in 1978 and placed limitations on both assessment levels and tax rates in California (McGuire & Ruben, 1996).

Proposition 13, created a shift in financial support for school programs from local government financial support to becoming more dependent on state government for funding (Chapman, 1998). The shift in financial support for school districts from local control to becoming dependent on the state government for those financial resources led to loss of revenue for school districts.

Voters supported Tax and Expenditure Limits (TELs) on local governments in Ohio, California, and Michigan in the late 1970s (Ladd and Wilson, 1982). Studies by Ladd & Wilson (1982), and Courant, Gramlich, and Rubinfeld (1980) found voters supported TELs not to simply decrease the level of taxes, but to decrease the level of government waste, forcing governments to look at what they were doing and to become more efficient.

Characteristics of Tax and Expenditure Limits

There have been a number of models that have identified categories and characteristics of TELs. These models had helped identify the structure and desired outcomes of TELs.

Joyce and Mullins (1991) identified six categories of TELs: overall property tax levy limit, specific property tax rate limit, assessment increase limit, property tax levy limit, general revenue or general expenditure limit, and full disclosure or truth-in-taxation. Joyce and Mullins further noted that property taxes were distinguished by the types of local TELs based on the stated target and to what degree they were binding. The legislative board must determine what the intention of the TEL is and the target area they are focusing taxes to get the desired outcome.

Bird (1993) stated “Local governments should not only have access to those revenue sources that they are best equipped to exploit - such as residential property taxes and user charges for public services - but should also be both encouraged and permitted to exploit these sources without undue central supervision” (p. 211).

In general, TELs may be differentiated according to their treatment of the following nine characteristics (Stansel, 1994):

- TELs should originate with and be approved by the voters, where possible, rather than the legislature.
- TELs should be constitutional rather than statutory.
- TELs should apply a cap to 100 percent of the budget rather than to only certain categories.
- TELs should cap spending rather than revenue or taxes.
- TELs should limit the growth of spending to the growth rate of population plus inflation rather than to the growth of personal income.
- TELs should require voter approval for its provisions to be circumvented.
- TELs should apply to both state and local governments. And it should allow for transfer of responsibility to local governments and provide for the appropriate adjustments in each jurisdiction's limits.
- TELs should not require additional action by the legislature for implementation.
- TELs should give taxpayers standing to sue to enforce its provisions and require injunctive relief to prohibit any illegal taxes or spending while suit is pending (p. 17).

Waisanen (2010) explained that “no two TELs are exactly alike in their design and characteristics. While the general goal of limits is the same—to restrain government tax revenues or spending outlays—they vary considerably in design, scope and restrictiveness” (p. 1).

Waisanen (2010) identified four traditional categories of TELs. They were expenditure limits, revenue limits, appropriations limited by the revenue estimate, and hybrids or combinations.

1. **Expenditure limits.** Expenditure limits, like revenue limits, are typically tied to personal income or a growth index. The impact of expenditure limits depends upon the limit

parameters set by the state government. In many states, the expenditure limits are tied to a growth index related to the expansions of the economy. The expenditure limit is somewhat more restrictive than revenue limits. The state legislatures created expenditure limits with refund provisions. In the expenditure limit category, if the revenues exceeded the unauthorized spending level, then the revenues would go back to the taxpayers.

2. **Revenue limits.** Revenue limits tie allowable yearly increases in revenues to personal income or some other type of index such as inflation, or increases and decreases in population. If there is an excess from the collection of taxes, there would be a refund of excess revenues to taxpayers.
3. **Appropriations limited to a percentage of revenue estimates.** This variation of spending limit ties appropriations to the revenue forecast, typically ranging from 95 percent to 99 percent of expected revenues. It does not establish an absolute limit or tie growth to a measurable index.
4. **Hybrids.** A state may also have combined components of different revenue and expense models of TELs. For example, Oregon has a state spending limit tied to personal income growth and a provision requiring refunds if revenues are more than two percent above the revenue forecast. This law limits spending and limits revenues by tying them to the forecasted amount (pp. 2-3).

State Models of Tax and Expenditure Limitations

This subsection will explain the TELs in California and Massachusetts and the resulting effects after their implementation. California and Massachusetts TELs were identified to examine two different states with TELs and the impact of each TEL on education in each state.

California's Proposition 13 limited the values on home properties and Massachusetts' Proposition 2 ½ limited property tax rates.

California. California Constitution Article 13A, commonly known as Proposition 13 was a constitutional amendment to decrease the rate of taxation on properties in California that was approved in June 1978 (Allswang, 2000). The state was dealing with inflation that sent property taxes soaring to the point where families had to sell their homes because they could not afford to pay their taxes (Marois and Nash, 2011).

On June 6, 1978, sixty-six percent of California's voters passed Proposition 13, reducing property tax rates on homes, businesses, and farms by almost fifty-seven percent. Under Proposition 13, legislation limited the annual increase in property assessments to two percent, while at the same time limiting the tax rate to one percent of the total valuation of the property. The state government rolled back the property values to 1976 for tax purposes. The required taxes raised by local governments for a designated or special purpose were required to be approved by two-thirds of the voters and all tax increases had to be passed by two-thirds of both houses of the California state legislature (Bartlett, 2013).

The California Supreme Court, in the *Serrano v. Priest* (1976) case, ordered the state of California to create a more equitable way to fund schools in California. At that time, property tax bases differed greatly among school districts. The Serrano plaintiffs argued that the system was inequitable and a violation of the equal protection clause of the Fourteenth Amendment.

This was a landmark case that led many states to look at their funding of school districts and attempt to lower differences in per-student funding between richer and poorer school districts and where pupils have differing educational needs (Sonstelie et al., 2000).

An outcome of Proposition 13 was the shift in government's responsibility for the allocation of resources from the local jurisdictions to the state. There was a change in the percentage of school revenues that came from the state (Rose, Sonstelie, Reinhard, and Heng, 2003). In 1977, thirty-three percent of school revenues came from state sources; by 2000, approximately sixty percent came from state sources (Sonstelie et al., 2000). Proposition 13 legislation gave state lawmakers the responsibility for the allocation of property tax revenues to local jurisdictions. Previously, local jurisdictions established their tax rate independently and the revenues generated from the tax rate supported their local agencies.

Fischel (1989) stated the overall education in California declined after the implementation of Proposition 13. There were increased class sizes and a decreased performance level on standardized tests. Proposition 13 decreased the rate of taxation on properties in California. "In the late 1970s, however, Californian's pupil – teacher ratio grew, and it remained well above the national average through the 1980s and the early and mid-1990s" (Carroll, Krop, Arkes, Morrison, & Flanagan, 2005). In California, outcomes of this legislation led to increased class sizes and resulted in decreased performance on standardized tests (Carroll et al., 2005).

Massachusetts Proposition 2 ½. In 1977, total state and local per capita taxes were about 10 to 20 percent higher in Massachusetts than the national average. Moreover, the municipalities in Massachusetts raised two-thirds of their revenue through local sources, compared with a 40-percent average for municipalities nationally. The high level of property taxation caught public attention, and in 1980 voters approved Proposition 2 ½ by nearly a 3 to 2 margin (Massachusetts Department of Revenue, 1990).

Oliff and Lav (2010) found that between 1980 and 1985 in Massachusetts, property taxes as a percentage of income fell from seventy-six percent above the national average to thirteen percent above the national average (p. 1). Passage of this law constrained local governments' ability to raise revenues without any consideration for the actual cost to providing the services. It made the local economies, both the local municipalities and the school districts heavily dependent on state aid that fluctuated with the economic cycles (Oliff & Lav, 2010).

The Massachusetts Department of Revenue (1990) defined Proposition 2 ½ through the establishment of two types of levy limits:

First, a community cannot levy more than 2.5 percent of the total full and fair cash value of all taxable real and personal property in the community.

Second, a community's levy is also constrained in that it can only increase by a certain amount from year to year (p. 4).

The Massachusetts Department of Revenue (2013) provided guidelines in determining annual levy limits: "(1) Annual increases in their levy limits of 2.5 percent, and (2) an additional amount based on the valuation of certain new construction and other allowable growth in the tax base that is not the result of property revaluation ("new growth")" (p. 1).

Oliff and Lav (2010) identified a number of lessons that came out of the implementation of the Proposition 2 ½ legislation.

- **A tax cap won't make government services cost less.** A cap does not prevent employee health insurance costs, special education costs, or other costs beyond localities' control from rising much faster than the cap allows. Nor does it hold down the cost of heating buildings, buying gas for police and fire vehicles, and operating

school buses when the world price of oil is skyrocketing. When these things occur, as they have in Massachusetts, other services have to be cut to fit total expenditures under the cap.

- **Claims that caps will produce large savings through “efficiencies” are overblown.** There are less efficiencies to be realized from squeezing down revenues than cap proponents generally suggest. One person’s “efficiency savings,” such as the elimination of a police or fire station, may represent the loss of a critical service for another person. Ultimately, a property tax cap is highly likely to lead to reductions in basic community services and deterioration in the quality of life in many communities, particularly in communities that cannot routinely override it.
- **Tax caps can be particularly harmful if adopted during a weak economy.** Proposition 2 ½ took effect during a period of extraordinary economic growth — the “Massachusetts Miracle.” State revenues were rising, which allowed the state to boost aid to compensate for constrained property taxes, and construction was expanding, which allowed communities to raise their property tax revenue by more than 2.5 percent per year.
- If a state were to adopt a property tax cap during an economic slowdown or a period of weak state revenue growth, a major sustained infusion of state aid would not be possible and property tax revenue growth would be more constrained. As a result, schools and other services dependent on the property tax would have to be cut much more severely than in Massachusetts.
- **State aid can’t be relied upon to fill the gap.** Even when state policymakers fully intend to expand state aid to fill local funding gaps created by a cap, a recession or

fiscal crisis will usually derail this plan. State aid to localities in Massachusetts has fluctuated greatly with the business cycle and with state policy decisions. In any other state that might implement a cap, local government and school budgets are likely to become more volatile.

- **Changes in school enrollment can have a big impact.** The adoption of Proposition 2 ½ coincided with a decline in Massachusetts' K-12 enrollment, allowing schools to operate with less revenue. If another state adopted a property tax cap during a period of steady or rising enrollment, it would be forced to impose much more extensive cutbacks in teachers, classes, and programs than those seen in Massachusetts.
- **Without effectively targeted state aid, low-income communities will fall even further behind.** Massachusetts has a highly targeted system of aiding local governments. The influx of state aid seems to have shielded low-income communities somewhat from Proposition 2 ½'s tendency to exacerbate differences in services between high- and low-income communities. But when state aid has receded as a result of economic downturns or state policy decisions, the poorest communities have had to make the largest budget cuts. In states that do not have a system of school aid that is targeted as effectively as Massachusetts', students in low-income communities are likely to fall increasingly behind students in schools that have greater resources.
- **Wealthier communities will override a tax cap more frequently than poorer ones.** This has contributed to a growing spending gap between local governments in high-income communities and all other communities, despite Massachusetts' progressive system of state aid. This is likely to occur in other states that implement a cap.

- **Middle-income communities might end up bearing the brunt of a cap.** In Massachusetts, budgets in middle-income communities grew more slowly than budgets in either low-income or high-income communities because they did not receive as much state aid as the former or override Proposition 2 ½ as often as the latter (pp. 2-3).

Rachofsky's article (2004) (as cited in Baker, 2010) suggested that the existence of fiscal constraints created by tax limitations could serve to exacerbate the impact of downturns on education spending. Baker (2010) outlined what was learned from Massachusetts Proposition 2 ½ after the government limited the ability of the localities to be able to respond to state aid cuts and shifting local revenues away from a stable source of the property tax, to a less stable source.

- If a government is going to impose a property tax limit, it should be done during a strong, not a weak economy.
- The state should be prepared to offset losses in property tax revenue with increased state aid, but this makes public school funding even more susceptible to future economic downturn.
- The public should be prepared for and acknowledge the risk that service quality will decline. Class sizes will likely increase. Teacher quality may decline and student outcomes may follow.
- Judicial intervention may be required to straighten out the resultant mess in the end, to insure that all children continue to have access to equitable and adequate educational opportunities (p. 5).

A number of lessons have been learned from Proposition 2 ½ since its inception in 1980 that were outlined by Oliff and Lav (2010), and Baker (2010) in their works. Oliff and Lav

(2010) reported that the tax cap would not make government services cost less. The cap did not prevent increases in health insurance costs, fuel, special education costs and other costs beyond the institution's control. Baker (2010) stated that the results indicated there was a decrease in services provided; class size increases, teacher quality may decline and student outcomes may decrease because of Proposition 2 ½. Oliff and Lav (2010) stated, "By limiting Massachusetts localities' only major source of revenue, proposition 2 ½ has exacted a considerable cost – one that highlights the shortcomings of property tax revenue caps as a policy approach" (p. 1).

New York's Property Tax Cap

This subsection will present information about the New York State Property Tax Cap Legislation. There has been limited research other than reports and surveys conducted by NYSCOSS, NYSASBO, and NYSSBA about the effect of the Tax Cap on the school districts in New York State.

"Governor Pataki subsequently proposed a cap on school tax levies as a part of the original STAR (School Tax Relief) program in 1997" (Hoefer, 2010, p. 3). McMahon (2007) stated "Governor Pataki's original 1997 STAR proposal included a provision that would have capped the annual growth in school tax levies at 4 percent or the rate of inflation" (p. 1).

Legislation could not pass in both legislative houses to support this initiative. Pataki agreed to remove the tax cap provision in his final STAR program proposal (Hoefer, 2010).

The New York State Commission on Property Tax Relief was established in January 2008 by Governor Eliot Spitzer's Executive Order No. 22. The commission was charged with making recommendations for solutions to the State's unattainable property tax burden (New York State Commission on Property Tax Relief, 2008). The New York State Commission on

Property Tax Relief (2008) stated, “Property taxes accounted for most of the local taxes levied outside of New York City and New Yorkers pay some of the highest property taxes in the nation – especially school property taxes” (p. 2). New York State was the second highest in the nation in property taxes. The median US property tax per family was \$1,917 and New York’s property tax was \$3,755 (Tax Foundation, 2008). Governor Spitzer’s “executive order directs the Commission to produce an interim report setting forth... recommendations with respect to a statutory school property tax cap by May 15, 2008” (McMahon, 2014, p. 7).

To address the tax concerns, Governor Paterson proposed legislation creating a property tax cap. The legislation proposed capping annual growth in the property tax levy at 4 percent or 120 percent of the CPI, whichever was less (New York State Commission on Property Tax Relief, 2008). Governor Patterson could not get his proposed property tax cap legislation through both legislative houses. Governor Patterson had changed a provision in the bill that included a new provision excluding the “local share of school pension contributions from the cap (McMahon, 2009, p.1). McMahon (2009) stated:

This provision sabotages one of the prime purposes of the tax cap, which was to force state lawmakers to shoulder the full brunt of added costs stemming from their failure to enact pension reform and other mandate relief for school districts (p. 2)

The Tax Foundation (2010) had ranked counties in the United States on property taxes on owner-occupied housing ranked by total taxes paid in 2010. Three out of the top five counties were from New York State; Westchester, Nassau, and Rockland counties. Governor Cuomo pointed out the property tax in New York was ninety-six percent higher than the national average in 2010 (New York State Center for Rural Schools, July 2011).

The New York State Legislature and the Governor enacted legislation in 2011 that established a property tax cap on the amount that a local government's or school district's property tax levy could increase each year. Chapter 97 of the Laws of 2011 (Part A-Property Tax Cap) established a tax levy limit that affected all local governments and school districts in New York State, except New York City. The law went into effect in 2012 and schools used the property tax cap formula in establishing the levy to use for the budget in the 2012-13 school year.

The Office of Governor Andrew M. Cuomo (2015) summarized the “Cap Basics” of the New York State Property Tax Cap as follows:

- The New York State Property Tax Cap restricts the year to year annual property tax growth;
- All local governments that are independently governed and require a separate tax levy are subject to the Tax Cap;
- The cap allows local governments to raise necessary taxes for a few extraordinary expenses, including very high pension growth and school district capital costs, without being subject to the cap; and
- The cap can be overridden by actions at the local level which also allows taxpayers and local governments to exercise local control and increase spending as deemed appropriate (p.5).

The tax cap applied to all independent school districts and all local governments outside of New York City (New York State Department of Taxation and Finance, 2012, p. 2). The increase in a tax levy raised through property taxes charged on the municipality's taxable assessed value of property was capped at two percent or the Consumer Price Index (CPI),

whichever is less, with certain limited exceptions and adjustments (New York State Department of Taxation and Finance, 2012, pp. 4-5).

Local school districts were given the ability to adopt a budget that exceeded the two percent tax cap. The district had to take the prior year's tax levy and calculate the two percent increase or the rate of inflation, whichever was less, to create the tax levy for the next fiscal year. In order to override the calculated cap, sixty percent of the voters would have to support a property tax levy increase above the allowable cap (New York State Office of the State Comptroller, 2013). Chapter 97 of the Laws of 2011 (Part A-Property Tax Cap) consisted of eight steps to be used in determining the tax levy limit (See Appendix C).

The New York State School Boards Association (NYSSBA, 2010) conducted an analysis that found if a property cap tax had gone into effect in 2010, school districts in New York collectively would have been short an estimated \$3.3 billion between 2010-11 and 2013-2014 just to meet the expected basic increases in payroll and other personnel costs.

NYSCOSS (2012) conducted an online survey polling New York State public school superintendents on their perceptions of the budgeting concerns of their districts. The summary of the highlights from the survey were:

- Fifty-two percent of the districts indicated their financial condition had worsened from 2011.
- Eighty-three percent were concerned or very concerned about the one-time use of their reserves to fund recurring costs.
- Forty-one percent of the superintendents with the current financial trends predicted within four years, their districts would be unable to meet their financial

obligations.

- Seventy-seven percent of the superintendents see their districts unable to provide the instructional and student services mandated by the Federal and State governments during the same four year period.
- Fifty-nine percent of the districts increased class sizes for the 2012-2013 school year, as compared to forty-eight percent of the districts that increased class sizes in the 2011-2012 school year.
- Sixty-seven percent of the districts indicated that the new Tax Cap led them to adopt a budget below what they normally would have otherwise adopted.
- More than forty percent of the superintendents perceived that their budget that was adopted for the 2012-2013 school year had a negative effect on core elementary education, extra-curricular activities, athletics, operations and maintenance, and administration (p.2).

Another survey was conducted by NYSCOSS in 2014. The survey report indicated that after two years of school aid increases and two years of the Property Tax Cap, 70 percent of the schools were still receiving less state aid than what the school districts received in 2008-2009. Ninety percent of the participants indicated that their districts would have received less state aid if building aid had been taken out of the formula. According to NYSCOSS (2014):

- Thirty-three percent of the superintendents predicted that with the current trends, within four years their districts would be unable to ensure some financial obligations would ever be paid. During the same projected four year window of time, 43 percent foresaw their districts may be unable to fund all state and federal mandates for instruction and student services.

- Fifty-eight percent of the superintendents perceived the Tax Cap caused their adopted budget to have a more negative impact on programs than would have otherwise occurred if the Tax Cap had not been implemented.
- Forty-two percent of the superintendents reported their districts increased class sizes in 2013-2014, down slightly from 45 percent in 2012-2013 (pp. 8-9).

NYSCOSS (2014) stated “In each of the past two years, roughly 60 percent of superintendents said they believe that the tax cap led their district to adopt a budget with a more negative impact on programs and services than would have been the case without the cap” (p.9). Sixty-seven percent of the superintendents who perceived that the tax cap was a greater concern than the level of state aid also perceived that the tax cap was negatively affecting programs (NYSCOSS, 2014).

NYSCOSS (2014) reported that the superintendents were asked what their greater financial concern was: the tax levy cap or future state aid levels. Twelve percent of the superintendents chose the tax cap as a greater financial concern for their districts over state aid, down from 25 percent in 2011. Forty-five percent of the superintendents chose state aid over the tax cap as a greater concern in 2013, up from 23 percent in 2011. Therefore, there was an increase in the superintendents’ perception that the state aid levels were a greater financial concern than the tax cap.

Table 1 shows the approval rate for budgets of school districts in New York State for the five years after the implementation of the Property Tax Cap of 2011. In the first year, 2012, there were 633 districts with a passage rate for budgets of 93.36 percent. In 2016, there were 666 districts with a passage rate of 98.5 percent; an increase of 5.16 percent. There has been a general increase in the passage rate with the exceptions of 2014 and 2016 where there was a slight decrease from the previous year.

Table 1***School District Budget Passage Rate after the implementation of the 2011 Property Tax Cap Legislation***

Year	Total Districts	Budgets Approved with (50%)	Budgets Not Approved	Percentage Passed
2012	678	633	45	93.36%
2013	678	654	24	96.46%
2014	676	644	32	95.27%
2015	670	661	9	98.66%
2016	676	666	10	98.52%

Note: New York State Department of Education (2016).

Table 2 shows the supermajority approval rate for school districts in New York State for the five years after the implementation of the Property Tax Cap of 2011. In the first year, 2012, there were 53 districts that sought to exceed the cap with a passage rate of 64 percent. Since then, there has been a decrease in districts attempting to attain a supermajority approval rate from their taxpayers. By 2016, only nine districts attempted approval by a supermajority of voters.

Table 2***School District Budget Supermajority Approval Rate after the implementation of the 2011 Property Tax Cap Legislation***

Year	Total Districts	Budgets Approved with (60%)	Budgets Not Approved	Percentage Passed
2012	53	34	19	64%
2013	28	7	21	25%

2014	23	14	9	61%
2015	19	12	7	63%
2016	9	6	3	67%

Note: New York State Department of Education (2016).

The Tax Cap of New York State established a property tax cap on the amount a local government's or school district's property tax levy could increase each year. This legislation was established in 2011 and enacted in the 2012 budget. The most limiting component of New York State's version of a TEL was that the total amount that could be raised through property taxes charged on the municipality's taxable assessed value of property was capped at two percent or CPI, whichever was lower after certain exceptions and adjustments. School districts could exceed the cap if there was a supermajority approval rate by the taxpayers of a 60 percent passage rate. Through surveys conducted by New York State professional organizations including NYSCOSS, NYSASBO, and NYSSBA, there have been concerns expressed that the Tax Cap would lead to increased class sizes, decreased student opportunities with extra-curricular, advanced course offerings, pupil transportation, and student services.

NYSCOSS (2016) conducted a survey and asked superintendents what the impact of their district budget decisions was on identified program areas since 2011. In table 3, the program areas identified were: (a) Core instruction in Elementary grades, (b) Instruction in English, Math, Science, and Social Studies in the Middle grades, (c) Instruction in English, Math, Science, and Social Studies in the High School, (d) Extra academic help for students who need it any level, (e) Advanced placement or enrichment classes, (f) Career and Technical Education, (g) Second language instruction at the Middle or High School levels, (h) Student Counseling, Social Work, Mental Health or similar support services. Table 3 illustrates the changes in superintendents reporting about the impact of the budget on program areas from 2011 to 2016.

Through this period of time, there were considerable changes in superintendents' perceptions of the impact of the budget on the program areas. For example, in the area of core instruction in elementary grades in all grades, there was a negative perception of the impact of the budget of 41 percent in 2012 and in 2016; the superintendents' negative perception of the impact of the budget on core instruction in the elementary grades had decreased to 8 percent.

Table 3

The Impact of Budget Decisions on Program Area

Program Area	Impact	2011	2012	2013	2014	2015	2016
Instruction in English, math, science, social studies all grades	Positive	3%	NA	NA	NA	NA	NA
	No Change	41%	NA	NA	NA	NA	NA
	Negative	56%	NA	NA	NA	NA	NA
Core instruction in elementary grades all grades	Positive	NA	13%	19%	27%	36%	47%
	No Change	NA	46%	50%	47%	52%	46%
	Negative	NA	41%	31%	26%	13%	8%
Instruction in English, math, science, social studies the middle level grades	Positive	NA	11%	16%	21%	29%	34%
	No Change	NA	56%	56%	55%	60%	62%
	Negative	NA	33%	29%	24%	11%	4%
Instruction in English, math, science, social studies high school	Positive	NA	10%	13%	18%	31%	36%
	No Change	NA	53%	60%	56%	57%	58%
	Negative	NA	37%	27%	26%	12%	6%
Extra academic help for students who need it any level	Positive	2%	9%	16%	21%	34%	40%
	No Change	39%	42%	40%	38%	40%	44%
	Negative	59%	48%	45%	42%	26%	15%
Advanced or enrichment classes	Positive	3%	8%	9%	14%	21%	26%
	No Change	56%	57%	56%	56%	58%	62%
	Negative	41%	35%	35%	31%	21%	11%
Career and technical education	Positive	NA	NA	5%	9%	21%	26%
	No Change	NA	NA	67%	70%	68%	67%
	Negative	NA	NA	28%	21%	10%	6%
Second language instruction at the middle or high school levels	Positive	NA	NA	8%	7%	11%	12%
	No Change	NA	NA	69%	72%	74%	80%
	Negative	NA	NA	25%	21%	15%	8%
Student counseling, social work, mental health or similar support services	Positive	NA	NA	6%	11%	23%	29%
	No Change	NA	NA	65%	61%	58%	60%
	Negative	NA	NA	30%	28%	18%	11%

Note: New York State Council of School Superintendents (2016).

Fiscal Stress Monitoring System

This subsection examines the fiscal climate of school districts through the use of a fiscal stress monitoring system developed by the Office of the NYS Comptroller.

In 2013, the New York State Office of the State Comptroller designed a fiscal stress monitoring system to monitor the fiscal stress on local governments and school districts in New York State based on both financial and environmental indicators. The rationale was an attempt to be responsive to the taxpayers and provide them with relevant information that could help them work with “local leaders to develop a viable plan for the future” (DiNapoli, 2014, p. 1).

The fiscal stress monitoring system uses financial indicators for New York State school districts to determine the level of financial stress for districts. The Comptroller’s assessment of the school districts’ financial conditions includes measures of short-term financial conditions. The Comptroller also examines and completes an assessment of the environment within which the districts operate (NYSASBO, 2014). The NYS Office of the Comptroller (2014) uses six environmental indicators within five categories for evaluating factors affecting school district finance. Table 4 shows the environmental indicators that are part of the fiscal stress monitoring system.

Table 4

School District Environmental Indicators

Category	Environmental Indicator	Purpose
1. Property Value	1. Change in property value	To identify school districts where property values have declined.
2. Enrollment	2. Change in enrollment	To identify school districts where enrollment has declined.
3. Budget Votes	3. Trends in first budget vote being defeated.	To identify school districts where the budget was defeated during the first

		budget vote has declined
4. Change in approval	4. Change in approval %	To identify school districts where the approval percentage of their budget during the first budget vote has declined.
5. Graduation Rate	5. Graduation rate %	To identify the graduation rate of the school district.
6. Free or Reduced priced lunch	6. Free or Reduced Lunch %	To identify an indicator of the poverty rate of the school district.

Note: Office of the New York State Comptroller (2014).

The financial indicators were calculated by using financial data filed in annual financial reports (ST-3s) for school districts. A score was calculated for each financial indicator arriving at an overall score and then was used to classify whether the district was in significant fiscal stress, moderate fiscal stress, susceptible to fiscal stress, or no designation (Office of the NYS State Comptroller, 2014, p. 8).

The New York State Office of the State Comptroller (n.d.) set the thresholds for the various levels of stress as follows:

An entity with 25 to 44.9 percent of the total possible points is considered susceptible to fiscal stress. An entity with 45 percent to 64.9 percent is considered to be in moderate fiscal stress, and an entity with a score of 65 percent or more is considered to be in significant fiscal stress (p. 6)

The NYS Office of the State Comptroller (2016) identified schools that had some level of fiscal stress in 2015. Table 5 shows the New York State public school districts' level of fiscal stress. Eight school districts had significant stress (greater than or equal to 65% of total points). Twenty-four school districts had moderate stress (greater than or equal to 45% of total points).

Fifty school districts were susceptible to fiscal stress (greater than or equal to 25% of total points) (NYS Office of the State Comptroller, 2016).

The fiscal monitoring system was designed by the Comptroller with the intent to monitor the fiscal stress on local governments and school districts in New York State using both financial and environmental indicators to predict short- and long-term financial conditions. There were 82 districts identified by the NYS Office of the State Comptroller at some level of fiscal stress as of June 30, 2015 (NYS Office of the State Comptroller, 2016).

Table 5

New York State School Districts Level of Fiscal Stress 2015

Level of Stress	Total Districts	Fiscal Score of Total Points
Significant Stress	8	Greater or = 65%
Moderate Stress	24	Greater or = 45%
Susceptible to Stress	50	Greater or = 25%
Total	82	

Note: Office of the New York State Comptroller (2016).

Budgets and Advanced and Enrichment Classes

This subsection reviews literature that relates to budgets and course offerings, particularly Advanced Placement (AP) courses and enrichment classes in New York State Schools.

The Advanced Placement Program has set standards for academic achievement in 38 courses that offer rigorous college-level curricula and assessments in high school (College Board, n.d.). School Districts offer Advanced Placement courses to provide opportunities to challenge students through more rigorous academic courses and assessments (College Board,

2016).

A survey by NYSCOSS (2016) asked superintendents to forecast for 2019, how optimistic they were that their district was going to be able to adequately fund programs and services to their students. The superintendents were asked to respond by using the following responses: very optimistic, optimistic, somewhat pessimistic, very pessimistic, other, and not able now to fund programs and services adequate to the needs of their students.

- Six percent forecasted their schools would not be able to provide adequate programs and services now; this translates into approximately 40 districts across the state.
- Nineteen percent answered very pessimistic.
- Fifty-three percent responded somewhat pessimistic.
- Only 20 percent answered they were somewhat (19 percent) or very optimistic (one percent) (p. 9).

The survey responses concerning budgeting decisions superintendents had to make changed from 2011 to 2016. The same questions were asked in both reports. NYSCOSS (2016) stated:

- Table 3 shows in 2011 that three percent of the superintendents felt positively about their budget decisions concerning advanced or enrichment classes. In 2016, 28 percent felt positively about their budget decisions concerning advanced or enrichment classes.
- Table 3 shows in 2011 that 41 percent of the superintendents felt negatively about their budget decisions concerning advanced or enrichment classes. In 2016, six percent felt negatively about their budget decisions concerning advanced or enrichment classes (p. 13).

Leachman, Mai, and Oliff, (2012) stated “Cuts at the state level mean that local school districts have to either scale back the educational services they provide, raise more local tax

revenue to cover the gap, or both” (p. 1). If a superintendent is creative, positive developments can arise out of tough economic conditions (Ramsey, 2001). Effective leadership is a critical element for the success in conserving resources and providing students with the best education (Ramsey, 2001).

In summary, the superintendents’ perceptions of the budget on advanced placement or enrichment classes that were negative or very negative had decreased over the time period from 2011 to 2016 (NYSCOSS, 2016). Superintendents’ perceptions of the impact of the budget decisions on advanced or enrichment classes had improved over the time period 2011 to 2016. It was reported that three percent had positive opinions about advanced and enrichment classes in 2011; in 2016, 28 percent (NYSCOSS, 2016).

Cost-Savings Strategies

The superintendent is the only one responsible for the total district - all instructional levels, all employee groups, all disciplines and all constituencies (Bird, 2010; Bird, Wang and Murray, 2009). In today’s budgetary process, revenues can change unexpectedly from year to year. The superintendent needs to assure the board and the school community that there are not large surpluses or deficits in the budget (Kaplan & Owings, 2006). According to Adist and Murdock (2005), a superintendent must be aware of the financial and performance status of each district program and be able to exercise the ability to eliminate or reallocate those resources when the data does not support the continuation of the program.

Brimley (2005) stated,

As financial leaders, superintendents are responsible for involving people in determining educational plans and objectives. [The] final decision regarding proposed changes and innovations must rest with the board of education acting with the advice and

recommendations of the superintendent and his or her staff (p. 307).

Fuller, Campbell, Celio, Harvey, Immerwahr, and Winger (2003) said “The superintendency is a public management position in which political skill and calculation are as important as expertise about instruction” (p. 57). Superintendents control the assets that serve the needs of millions of children and play a significant role in the distribution of resources in their local economies (Fuller et al., 2003).

The Rennie Center for Education Research and Policy (2017) listed a number of examples of cost-saving strategies that have been used in other districts. They separated the strategies by focus area: (a) district funding, (b) instructional roles, (c) teaching and learning time, and (d) operations. The strategies are listed below.

District funding

- Conduct data analysis at school level to determine educational needs. Target interventions at school sites.
- Expand school-based budgeting to include more than half of general fund revenue.
- Provide schools with lump sum budgets and encourage them to align new budgets with their educational strategy.
- Implement weighted-student funding policy in the district, reallocating discretionary funding to higher needs students.
- Free up resources invested in smaller school size to increase funding based on prioritized need.
- Divide district into zones based on student need and residential patterns; reallocate funding based on zones. Focus funding to reach specific academic outcomes.
- Close or combine schools with declining enrollment.

- Reduce the number of district administrators.
- Use federal money creatively: districts are allowed to combine funds from various programs to support comprehensive reform.
- Redirect special education spending to early intervention and targeted individual attention for all students.

Instructional roles

- Limit class size in particular focus areas based on core areas or school goals, while maintaining larger classes in other subjects.
- Implement inclusion of special needs students into regular education classrooms. Or, redesign special education to shift resources to early and ongoing intervention in general education.
- Restructure one-size-fits-all job structure to foster individual and team effectiveness and professional growth.
- Share teachers across school and district lines for low enrollment classes.
- Eliminate support staff positions such as teaching assistants, etc. Organize teachers into teaching teams to save on the use of externally hired specialists (p. 26).

Teaching and learning time

- Restructure schedules to harness time as a resource. Schedule teacher planning periods in conjunction with non-instructional time or institute early-release days.
- Allow teachers to teach an additional period instead of using it as non-instructional time if they wish.
- Alter student schedules to provide time for teacher learning: designate certain times of the day for students to volunteer in the community, take college courses, or attend study

hall.

- Offer low-enrollment courses once every 3 years, or combine upper level classes (e.g., Spanish 4 and 5, AP and Honors History).
- Decrease physical education classes based on student participation in sports.
- Implement/expand volunteer programs to help replace funding cuts to tutoring, mentoring, and extracurricular programs.
- Integrate online learning through the use of online courses, tutoring, or e-textbooks.

Operations

- Maximize use of buildings and land.
- Leverage outside partners and technology to maintain or improve quality at lower cost.
- Make cuts at the district level (e.g., office, programs).
- Share services with other districts.
- Perform a health care dependent audit (pp. 18-19).

The Government Finance Officers Association (GFOA) (2015) recommended that all districts use the following steps as part of their planning and budgeting processes.

1. Step 1 – Plan and Prepare. The planning and budgeting process begins with mobilizing key stakeholders, gathering information on academic performance and cost structure, and establishing principles and policies to guide the budget process.
2. Step 2 – Set Instructional Priorities. The budget needs to be rooted in the priorities of the district. Intentionally created instructional priorities provide a strong basis for developing a district's budget and strategic financial plan, as well as presenting a budget document.
3. Step 3 – Pay for Priorities. Current resources and expenditures must be thoroughly analyzed in order to find capacity to pay for top instructional priorities.

4. Step 4 – Implement Plan. The strategic financial plan is the long-term road map for implementing the district’s instructional priorities. A plan of action describes how the strategic financial plan will be translated into coherent actionable steps.
5. Step 5 – Ensure Sustainability. The planning and budgeting process should be one that can be duplicated in the future in order to ensure the district remains focused and plans accordingly for reaching its student achievement goals (pp. 1-2).

The superintendents’ perceptions of the impact of budget decisions on the nine student service program areas that were identified in the NYSCOSS survey trended to be more positive in 2016 than in 2011 (NYSCOSS, 2016). An example of this would be the advanced or enrichment classes. In 2011, superintendents’ positive perception of the impact on the budget was three percent. In 2016, the perception of the positive impact of the budget was 26 percent. This represented an increase of 23 percent in the superintendents’ perception of the positive impact of budget decisions concerning advanced and enrichment classes between 2011 and 2016.

Reserves

The New York State Comptroller (2010) described the importance of reserve funds for good financial management.

Savings for future projects, acquisitions, and other allowable purposes is an important planning consideration for local governments and school districts. Reserve funds provide a mechanism for legally saving money to finance all or part of the future infrastructure, equipment, and other requirements. Reserve funds can also provide a degree of financial stability by reducing reliance or indebtedness to finance capital projects and acquisitions. In uncertain economic times reserve funds can also provide officials with a welcomed budgetary option that can help mitigate the need to cut service or to raise taxes. In good

times, money not needed for current proposes can other be set aside in reserves for future use (p. 1).

Reserves can be used as a contingency fund that will give the superintendent the extra money needed to manage unexpected expenses that may arise in the district (Kaplan & Owings, 2006).

Reserves provide a mechanism for contingency funds to support school districts when there are those unplanned events that may not have been foreseen and for which the district is responsible. Reserves are an indicator of the district's financial stability. Drawing on the reserves for current operations weakens the district's financial health for the future (New York State Comptroller, 2010).

The New York State Comptroller (2011) stated "restricted fund balances consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation" (p. 2).

Some examples that can be included in the restricted fund balances classifications are workers' compensation reserve, unemployment insurance reserve, capital reserve, reserve for tax certiorari and reserves for repairs (New York State Comptroller, 2011).

NYSASBO (2015) reported the percentage of school districts had lost restricted fund balance over the following years: 2011-2012, (42%); 2012-2013, (40%); and 2013-2014, (41%).

NYSCOSS (2016) also reported:

Since 2011, the share of superintendents saying they are very concerned about their districts' reliance on reserves to fund ongoing costs has declined from 66 percent to 18 percent. But 64 percent of superintendents still say they are at least somewhat concerned by reliance on reserves (p. 7).

Summary

The chapter began with the history of TELs in the United States. TELs were defined and the two forms, statutory or constitutional, were discussed. TELs were used throughout the country in different states with different objectives.

The second subsection was a presentation of the characteristics of TELs and different categories of traditional TELs. Two different models of categories of TELs were identified through the work of Joyce and Mullins (1991) and Waisanen (2010). Stansel (1994) differentiated TELs according to nine characteristics he had identified.

The third subsection was a presentation of literature regarding TELs in two states, California and Massachusetts, and the outcomes for education from the implementation of the TELs in those states.

Information presented in the fourth subsection pertained to the economic, political, and educational conditions in New York that formed the basis for the TEL that was implemented. The TEL in this study is New York State's Property Tax Cap. It also described the perceptions of New York Superintendents concerning their school districts' fiscal conditions (NYSCOSS, 2012, 2014, 2016).

The fifth subsection presented a review of literature that described the Fiscal Monitoring System. The Fiscal Monitoring System was developed by the NYS Comptroller's office to monitor the fiscal climate of school districts based on both financial and environmental indicators.

The sixth subsection presented a review of literature that related to budgets and course offerings, particularly focusing on advanced placement and enrichment classes.

A review of literature concerning cost-saving strategies in school districts was presented in the seventh subsection in this chapter.

Finally, the eighth subsection focused on general information on reserves, the loss of

reserves, and the superintendents' perceptions about the reliance on reserves.

The next chapter describes the methodology used in the collection of the data for the study. It will describe the methods, rationale, and purpose of the study that formed the basis for the quantitative study.

CHAPTER III: METHODOLOGY

Purpose Statement

Chapter Three provides a description of the research methodology used in this study to collect and analyze data related to the New York State rural school superintendents who led their districts through the implementation of the Property Tax Cap Legislation of 2011. This chapter included the research questions, the research design, the population, the survey instrument, the sampling method, data collection procedures, data analysis, limitations and delimitations, validity and reliability, and bias.

The purpose of this quantitative study is to examine superintendents' perceptions regarding the impact that the New York State Property Tax Cap Legislation of 2011 has had on rural school districts and their districts' ability to fund their academic programs. More specifically, this research looked at the perceptions and opinions of superintendents in rural public schools districts about their actions in response to the Tax Cap including cost-saving measures. The study also looked at the criteria that superintendents used in making decisions concerning the elimination of advanced placement courses and instructional programs in their districts.

Research Questions

The research questions were developed to guide the study and its methodology. The study endeavored to answer four research questions:

1. What cost-saving measures did New York State rural public school superintendents report that they used to maintain instructional programs after the Property Tax Cap Legislation became effective?

2. What criteria were used by superintendents in New York State's rural public school districts to make decisions about eliminating instructional programs in their districts as a consequence of the Property Tax Cap Legislation?
3. What effect, if any, did superintendents report that the Property Tax Cap Legislation had on advanced course offerings within rural school districts?
4. What did New York State's rural school districts' superintendents think about the impact of the Property Tax Cap Legislation on the financial stability of their districts?

Research Design

This is a quantitative study. The researcher chose to use a quantitative study instead of a qualitative study because the researcher wanted to get data from the rural school superintendents to measure their perceptions about the effect the Tax Cap legislation had on their districts. A survey instrument was chosen to collect data to address the research questions. The researcher collected data through an online survey from New York State rural school superintendents whose school districts were members of the New York State Rural Schools Association (NYSRSA). There were 68 superintendents who responded to the survey. The survey was designed and organized to collect information related to the perceptions of superintendents concerning preservation or loss of instructional programs and, specifically, advanced course offerings in their districts.

Creswell (2009) defined quantitative research as:

An inquiry into a social or human problem based on testing a theory composed of variables, measured with numbers, and analyzed with statistical procedures, in order to determine whether the predictive generalizations of the theory holds true (p.2).

According to Creswell (2009), “There are several advantages in using surveys. They can be administered in a short period of time, they are economical in a short period of time, and they can reach a geographical dispersed population” (p. 421). Surveys “do not provide participants flexibility in responding to questions (unless open-ended questions are included)” (Creswell, 2009, p. 421). The researcher used a survey to investigate the perceptions of superintendents in rural school districts across the state of New York about whether there was an effect on their districts from the implementation of the Property Tax Cap Legislation of 2011.

Population

The population was comprised of all superintendents of school districts in New York State whose school districts were members of the New York State Rural Schools Association. The researcher used the list of the 2013-2014 member school districts from the New York State Rural Schools Association website. Superintendents from the active 276 member school districts were invited to participate in the survey.

In this study, the population was the sample. The researcher was investigating the perceptions of all rural school superintendents in New York State. Vogt and Johnson, (2011) defined a sample as a smaller group that would reveal important information about the larger group (population) (p.347).

Instrumentation

The survey instrument (See Appendix A) was designed to collect data that would address the research questions. The researcher developed questions for the survey instrument that aligned with the research questions in order to gather data to address each research question (See Table 1).

The survey consisted of 20 questions and was organized into five parts. The first part asked nine demographic questions about the superintendent’s school district. The second part consisted of one question that asked school leaders to identify cost-saving measures they used in an effort to maintain programs. One question asked the superintendents to examine 15 potential

cost-saving measures and to indicate to what degree they considered using any of those measures in their districts. The third part consisted of two questions concerning factors and strategies school leaders used in making decisions before eliminating a course in their districts. The fourth part consisted of two questions about the number, if any, of the advanced course offerings or programs that were cut as a direct consequence of the Property Tax Cap Legislation of 2011. The fifth part consisted of five questions that asked superintendents what they forecasted for their districts from a financial and programmatic perspective when they developed the 2014-2015 budget.

Table 6 shows the four research questions of the study and the specific survey questions that align with each research question. Table 7 also shows that questions two through eight, and 17 asked for demographic information about the individual's school district. Questions 10 through 14 and 16 through 19 used a Likert scale to ask the superintendents about their perspective regarding their decision making on eliminating advance courses, the strategies used in making financial decisions, or the financial stability of their district.

Table 6

Research Questions and Survey Questions

	Research Questions	Survey Questions
1.	District Demographics	1 – 8, 17
2.	What cost-saving measures did rural school superintendents use to maintain instructional programs	12

since the Property Tax Cap Legislation became effective?

- | | | |
|----|--|--------------------------|
| 3. | What criteria were used by superintendents in in rural school districts to make decisions about eliminating instructional programs in their districts? | 10, 11 |
| 4. | What effect, if any, do superintendents report that the Property Tax Cap Legislation had on advanced course offerings within rural school districts? | 9, 15 |
| 5. | What do rural school districts' superintendents think about the financial stability of their districts? | 13, 14, 16
18, 19, 20 |
-

The Likert scale assumes that the strength/intensity of an experience is linear, on a continuum from very important to not very important. Respondents may be offered five to seven responses with a neutral point being neither agree nor disagree (McLeod, 2008). Vogt, Gardner and Haeffele (2012) indicated a rationale to use a Likert scale because “in terms of measurement, they are popular because it is easy to sum response to individual items to make scales” (p. 26).

The Likert scale was used in this study because of the ease to sum the responses to individual items.

Likert items for question 10 used five responses (that ranged from very important to not very important). The Likert items for questions 11 and 12 allowed respondents to choose from five responses ranging from very strongly considered to never considered.

Data Collection

The survey questionnaire was developed and uploaded to survey software and an online questionnaire tool called SurveyMonkey. SurveyMonkey permitted the researcher the ability to configure the survey program in such a manner as not to save the e-mail addresses and not to

collect the IP addresses. The researcher configured SurveyMonkey in this manner to preserve the anonymity of the participants.

A letter was sent electronically to 29 rural school BOCES district superintendents (DS's) informing them of the survey prior to the survey being sent to potential respondents (See Appendix B). The letter informed the BOCES DS's about the scope of the research project and the project's significance for rural school superintendents and policy makers. The letter also asked the BOCES DS's to encourage the participation of the component superintendents in their BOCES. DS's do not directly supervise local superintendents, who are the study participants. However, DS's have regular communication with local superintendents in their BOCES as part of the DS's responsibilities for the State Education Department. As a result, the DS's are in a position to communicate the importance of participation by superintendents. There may have been a decrease in participation because eight of the thirty seven BOCES DS's did not receive an email from the researcher since they were not identified on the list serve as members of the Rural School Association. Since the DS's did not receive the email, they did not encourage superintendents in their BOCES region to participate in the survey.

Three days after the DS's received their letter, 276 rural school superintendents were sent an email inviting them to participate in the survey along with the instructions for completing the survey (see Appendix C). No incentives to participate were offered. The study utilized a list serve of email addresses that was provided by the NYSRSA. Approximately two weeks after sending the initial survey, an email was sent to the school superintendents thanking them for their participation if they had already completed the survey or if they had not yet responded by that time, to ask for their participation in the survey (See Appendix D).

The introduction to the survey informed the superintendents of the purpose of the survey and provided instructions on how to navigate through the survey. No questions were asked pertaining to the respondent's name, place of employment, or school district's Basic Educational Data System's (BEDS) code. The BEDS code is a numeric tracking system the New York State

Education Department uses to identify all public school districts, BOCES, and charter schools in New York State (NYSED, 2014).

The Informed Consent form for Human Participants was the first page of the survey and asked for the participants' agreement to participate in the study. The consent form stated that there were minimal risks associated with the study. The participant could withdraw from the survey at any time during the study. At any time during the survey, the participant could choose not to answer any question with which the participant was uncomfortable. The respondent's decision to participate in the survey constituted informed consent. The study was reviewed by the Sage Institutional Review Board and found to involve minimal risk to the participants.

Data were examined for irregularities and cleaned for analysis. According to Vogt and Johnson (2011 p. 93), data cleaning is used to prepare data for analysis. The researcher checked records and located data entry mistakes. The researcher also found responses to the questions that sometimes involved deleting the data because of the lack of clarity of the responses. If the participants did not answer the question with relevant data that could be used by the researcher; then those answers were not used in the analysis. An example would be a response for combined wealth ratio that did not make sense or that information could not be used because of the inaccuracy of the answer. This could be a result of the participant not understanding the question.

The researcher monitored SurveyMonkey to collect only aggregated data. Individual responses were not identified. All records were kept solely on the researcher's password protected laptop computer. At the conclusion of the study, the data were deleted from the program and the researcher permanently deleted all data from the hard drive. A back-up copy was stored on a flash drive and locked in the researcher's desk cabinet. The flash drive was also

destroyed at the completion of the research.

Data Analysis

According to Vogt and Johnson (2011, p. 104), descriptive statistics describe the basic features of the data of a study and provide summaries about the sample and the responses. Cresswell (2002, p. 231) stated that “descriptive statistics present information that helps a researcher describe responses to a question in a database and determine both overall trends and the distribution of the data.” In this study, descriptive statistics were used to display item response, frequencies, percentages, and the mean/standard deviation for each response.

The researcher used descriptive and inferential statistics during data analysis. The survey data generated from SurveyMonkey were uploaded to statistical software IBM Statistical Package for Social Sciences (SPSS) for Windows, version 22.0 for further analysis.

Descriptive statistics were used in this study to describe the demographic characteristics of the districts using percentage and frequency distribution. The demographic questions included district descriptors such as student enrollment, regional location of the district in NYS, district free and reduced lunch rates, combined wealth ratio, the total 2014-2105 budget, percentage of the tax levy, and the number of advance course offerings in districts. Descriptive statistics were also used for the years of experience in the superintendents’ present positions.

Vogt and Johnson (2011) explained that inferential statistics were used to draw conclusions or inferences from data. In this study, inferential statistics were used to make inferences about the data that the descriptive statistics summarized. The researcher examined in greater depth whether there were relationships between the three independent variables: geographic regions, student enrollment, and the years of experience in their current position as a superintendent.

The dependent variables used in the study were student interest, class size, cost of the

program, contractual, Board Policy, availability of programs at BOCES, space, cultural, following a strategic plan, building-level committees, district-wide committee, survey, researched-based best practices, reduction of advanced class offerings (AP, Honors and College), increased class size, elimination of early childhood development services (pre-kindergarten), elimination of kindergarten, elimination of support services, decrease in elective offerings, reduction in interscholastic sports, reduction in extracurricular activities other than interscholastic sports, pursued more cross-contractual services with BOCES, reduction in central administration, reduction in building level administration, reduction in teaching positions, reduction in other instructional positions (support positions), reduction in other positions (teacher aides, clerical, food service, maintenance, transportation), other reduction in student service costs.

Vogt and Johnson, (2011) explained the purpose of Chi-square was to determine whether there was a statistically significant relationship that existed between two-categorical variables; one independent, one dependent. This test was used in the analysis of research questions 1-4. The dependent variable was cross-tabulated with each of the three independent variables: years as a superintendent, enrollment of the district, and geographic region of the state. The researcher examined those results to see if there was a statistically significant relationship between the items in the survey questions and the independent variables.

Validity and Reliability

Vogt and Johnson (2011) define validity as, “the quality, accuracy, intersubjective agreement/approval, or truth value of or about some ‘object’ of discussion” (p. 415). According to Creswell (2012) it was important to select an instrument that reports individual scores that are reliable and valid.

One method for establishing face validity is to ask a panel of expert judges to determine whether or not the measure seems valid, or makes sense (Vogt & Johnson, 2011). In determining the face validity of the survey, the draft survey was sent to four veteran superintendents who served in rural public school districts in New York State. They served as a panel of experts for their review and comments on the survey.

The expert panel provided feedback to the researcher regarding the survey instrument and what they believed the research questions were intended to measure. The expert panel looked at the form and content of the survey. The panel identified redundant questions, spelling errors, grammatical inconsistencies, and awkwardly-worded questions that were confusing to the reader. Redundant questions were eliminated, spelling errors and grammatical inconsistencies were corrected, and awkwardly-worded questions were re-structured. The final survey questions reflected the input of the experts.

Creswell (2012) defines reliability as:

Individual scores from an instrument should be nearly the same or stable on repeated administrations of the instrument, they should be free from sources of measurement error and they should be consistent (p. 180).

The reliability of the researcher-developed survey was determined through the use of Cronbach's alpha, SPSS 22 statistical package, during data analysis. Vogt and Johnson (2011, p. 86) defined Cronbach's alpha as the "measures the internal reliability or consistency of the items

in an instrument, index or scale.” The results of the Cronbach’s alpha results will be reported in Chapter 4.

Researcher Bias

Bias as defined by Babbie (1990) is “the quality of a measurement device that tends to result in a misrepresentation of what is being measured in a particular direction” (p. 367). The researcher is currently a rural public school superintendent in a New York State public school district. The researcher has experienced the effects of the Property Tax Cap Legislation in his district. The researcher’s personal views and professional experience influenced his interest in pursuing this research topic. Bias is very difficult to avoid completely because the researcher, in many instances, is part of the context from which the study emanates (Gall et al., 1996).

Avoidance of research and response bias in a research project is critically important in the process. Bias or reflexivity can generally be broken down into two components: researcher bias, which is an acknowledgement by the researcher of personal predispositions and how they can influence observations, and responder bias, which occurs when the respondent is influenced to answer a question in a certain way (Vogt & Johnson, 2011). The researcher “must be continually sensitive to the effect of question wording on the results you will obtain” (Babbie, 1990, p. 130).

The researcher reduced bias in the development of the survey through the consultation of four veteran superintendents and by selecting a quantitative approach. The researcher consulted with the expert panel during the development of the survey questions in order to create a survey free from phrases or words that could suggest bias by the researcher. The researcher, during the process of creating clean data, consulted with two educational research experts to create the assurance of eliminating identifiable words that could have suggested researcher bias during the analysis of the data.

Summary

Chapter Three described the research design, the population, the survey instrument, the sampling method, data collection procedures, and the data analysis procedures used in this study. The intent of this study was to examine the perceptions of New York State rural public school superintendents concerning the impact of the Property Tax Cap Legislation on their ability to provide academic programs and advanced course offerings for students in their districts. The sample included rural school superintendents in New York State. Superintendents were surveyed online through SurveyMonkey. The survey results were downloaded from SurveyMonkey into SPSS 22 for analysis.

Chapter Four will explain the results of the survey.

CHAPTER IV: ANALYSIS OF DATA

Purpose of the Study

The purpose of this quantitative study is to examine superintendents' perceptions regarding the impact that the New York State Property Tax Cap Legislation of 2011 had on rural public school districts and the districts' ability to fund their academic programs. More specifically, this research looked at the perceptions and opinions of superintendents in rural school districts about their actions with cost savings in response to the Property Tax Cap Legislation. The study also examined the criteria that superintendents used in making decisions concerning the status of advanced placement courses and instructional programs in their districts.

A survey design was used for this quantitative study. The survey was sent to New York State superintendents working in rural public school districts. The survey was administered in the summer of 2014. The study was designed to contribute to a greater understanding about the impact that the Tax Cap Legislation has had on rural schools in New York State and their educational programs.

This chapter will present the data from the survey for each research question. The chapter is organized and presented according to each research question and will begin with background information. The background information is the descriptive demographic data including years as a superintendent in the district, student enrollment, free and reduced lunch percentages, size of the district budget, percentage of the tax levy, and advanced course offerings. The chapter ends with a brief summary.

Background Information

Participant demographics. Survey invitations were e-mailed to the 276 rural school district superintendents whose districts were members of the New York State Rural Schools

Association (NYSRSA) in May 2014. There were 68 (24.6%) who responded to the survey. There were 66 who completed at least some parts of the survey. There were two respondents who completed all parts of the survey. The information from the sixty-six partial completers and two completers were used in the analysis of data.

The demographic information concerning the length of service in the superintendents' current district was question one of the survey. The demographic information about the district came from questions two through eight. (See Appendix A).

The tables in this chapter show the responses for each research question. The number of responses varied according to the superintendents' participation in those responses.

Table 7 presents an overview of the demographic data relating to the superintendents who participated in the study. Table 8 shows that 45.2 percent of the respondents indicated that they had between five and eight years of experience and 33.8 percent had between zero and four years of experience. Table 8 shows that 79 percent of the respondents had up to eight years of experience as a superintendent in their current district. In addition, 20 percent of the respondents had between nine and twenty years of total experience in the superintendency in that district.

As shown in Table 7, 74.2 percent of the respondents worked in districts with student enrollment of less than 1,500 students. The greatest number of responses was from school districts with an enrollment of less than 750 students (40.3%) followed by districts with an enrollment of 751-1,500 students (33.9%).

Table 7 presents the free and reduced lunch percentages for the districts. Free and reduced lunch percentages were used as a proxy measure to represent the poverty of the district. There were 22 superintendents (55%) who responded to having between 26 and 50 percent of students eligible for free and reduced lunches in their districts. Thirteen

superintendents (22%) indicated that 51 to 75 percent of students eligible for free and reduced lunches in their districts. There were fewer responses for free and reduced lunches (40) than for the years as a superintendent (62) or student enrollment (62). The researcher examined the responses and some of the responding superintendents did not provide a response for the free and reduced lunch question.

Table 7

Demographic Information: Superintendent Experience, District Size, and Percentage of Free and Reduced Lunch.

Demographic Category	Total	Number	Percentage
Years as a superintendent in the district			
0-4 years		21	33.8%
5-8		28	45.2%
9-12		9	14.5%
15-20		4	6.5%
Total	62		
Student enrollment			
0-750		25	40.3%
751-1500		21	33.9%
1501-3000		13	21%
3000+		3	4.8%
Total	62		
Percentage of free and reduced lunch			
0-25%		5	12.5%
26-50%		22	55%
51-75%		13	33%
76-100%		0	0
Total	40		

Other demographic data collected about the respondents' districts that pertained to the district's budgets are shown in Table 9. There were 10 out of 68 superintendents who responded to the question on district budgets. Four superintendents (40%) responded that their budgets were fewer than 10 million dollars. Four superintendents (40%) responded that their budgets

were 30.1 to 40 million dollars. The fact that there were only nine (15%) responses to this question limited the use of that data about the size of budgets.

The percentage of taxes that was levied described the percentage of the budget that was based on the levy compared to the total amount of the budget. Forty percent of the responding superintendents reported that 21 to 40 percent of the budget was levied in their school districts. The second highest percentage of superintendents (26.7%) reported that 41 to 60 percent of the total budget was levied.

There were 51 superintendents that responded to question 8 about the advanced course offering question. Seventeen superintendents (33.3%) reported their districts offered 11-15 advanced placement courses. Twenty-nine (58.8%) reported their districts offered 6-15 advanced courses. Twelve (23.3%) reported their districts offered 0-5 advanced courses. Only four superintendents reported their districts offered 26 or more courses (7.8%).

Table 8

Demographic Information: Districts' Budget, Tax Levy as Percentage of Budget and the Number of Advance Course Offerings

Demographic Category	Total	Number	Percentage
District budget (in millions)			
0-10 million		4	40%
10.1-20 million		1	10%
20.1-30 million		1	10%
30.1-40 million		4	40%
Total	10		
Tax Levy as percentage of budget			
0-20%		7	23.3%
21-40%		12	40%

41-60%	8	26.7%
61-100%	3	10%
Total	30	
Advanced course offered 2013-2014		
0-5	12	23.5%
6-10	12	23.5%
11-15	17	33.3%
16-20	4	7.8%
21-25	2	4.1%
26+	4	7.8%
Total	51	

The geographic distribution of respondents is reported in Table 9. The superintendent response rate was unevenly represented across the 10 regions of New York State. The regions with the highest response rate from superintendents were the Southern Tier with 29.4 percent of the total respondents. The next two highest response rates, both with 11.8 percent, were from Central New York and the North Country. There were no responses from superintendents from the Long Island and Lower Hudson Valley regions. The regions used in this study were described by geographic location according to the NYSCOSS (2011) survey:

- Mid-Hudson Valley: Dutchess, Orange, Sullivan, Ulster
- Capital Region: Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Warren, Washington
- Mohawk Valley: Fulton, Herkimer, Montgomery, Oneida, Schoharie
- Central New York: Cayuga, Cortland, Madison, Onondaga, Oswego, Tompkins
- North Country: Clinton, Essex, Franklin, Hamilton, Jefferson, Lewis, St. Lawrence
- Southern Tier: Broome, Chemung, Chenango, Delaware, Otsego, Schuyler, Steuben, Tioga

- Finger Lakes: Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming, Yates
- Western Region: Allegany, Cattaraugus, Chautauqua, Erie, Niagara
- Long Island: Nassau, Suffolk
- Lower Hudson Valley: Putnam, Rockland, Westchester (p. 6).

Table 9

School District Geographic Location

Geographic location	Number	Percentage
Mid-Hudson Valley	5	7.4%
Capital Region	6	8.8%
Mohawk Valley	5	7.4%
Central New York	8	11.8%
North Country	8	11.8%
Southern Tier	20	29.4%
Finger Lakes	4	5.9%
Western Region	5	7.4
Long Island	0	0%
Lower Hudson Valley	0	0%
Total	61	

In summary, the snapshot profile of respondent school districts based on the demographic data showed that the majority of the superintendents that participated had less than eight years of experience in their present districts. Seventy-four percent of the school districts had a student population of less than 1,500 students. All of the school districts were from areas outside of New York City (Southern, Western, Mid-Hudson Valley, Capital, Finger Lake, Mohawk, Central, and North Country) and 56.8 percent of the districts offered between 6-15 advanced courses.

Research Question One: What cost-saving measures did New York State rural school superintendents report that they used to maintain instructional programs since the Property Tax Cap Legislation became effective?

This research question examined the cost-saving measures the superintendents used in an effort to maintain instructional programs in their districts. This research question was designed to identify the cost-saving measures used by superintendents in their district. Survey question 12 identified 15 cost-saving measures and asked the superintendents to respond to each measure on how strongly they considered that measure in their district. The response choices were organized into five categories to better understand the strengths of the superintendents' perceptions of what they used as cost-saving measures in their districts from very strongly considered to never considered. The responses were numerically coded from: 5 = Very Strongly Considered, 4 = Strongly Considered, 3 = Considered, 2 = Considered but Rejected, and 1 = Never Considered. By organizing the responses, the researcher was able to analyze the data to understand the relationships between demographic data and the cost-saving measure.

Table 10 showed the mean scores for the 15 cost-saving measures in survey question 12 ranged from a high of 4.18 to a low of 1.40. The highest mean score possible was five; the lowest possible mean score one. There were four measures with a mean greater than 4.0. The highest mean score (4.18) for a cost-saving measure was pursuing more contractual services with BOCES. The second highest mean score (4.14) was for the reduction in other positions (teacher aides, clerical, maintenance, transportation). The third highest mean score (4.10) was for the reduction in other instructional positions (support positions). The fourth highest mean score (4.07) was reduction in teaching positions.

The lowest considered cost-saving measure from the superintendents' perception was the elimination of kindergarten (1.40). The second lowest cost-saving measure that was considered was the elimination of early childhood development (1.89).

Table 10

Mean Scores: Cost-Saving Measures Considered in an Effort to Maintain Instructional Programs

Cost-Saving Measures	n	M	SD
Pursue more contractual services with BOCES	56	4.18	1.06
Reduction in other positions (teacher aides, clerical, maintenance, transportation)	56	4.14	.98
Reduction in other instructional positions (support positions)	56	4.10	.97
Reduction in teaching positions	56	4.07	1.02
Other reduction in student services costs	54	3.74	1.10
Increase class sizes	56	3.70	1.03
Decrease elective offerings	53	3.50	1.23
Reduction in extra-curricular activities	55	3.37	1.28
Reduction in central administration	56	3.36	1.46
Reduction in interscholastic sports	55	3.29	1.26
Elimination of support services	53	3.19	1.26
Reduction in building level administration	55	2.78	1.56
Reduction in advanced class offerings	54	2.61	1.37
Elimination of early childhood development	54	1.89	1.28
Elimination of kindergarten	54	1.40	1.09

Pearson's Chi-Square was calculated using the software Statistical Package for the Social Sciences (SPSS) to determine whether there was a statistically significant relationship between the cost-saving measures and the three independent variables. The three independent variables were years as a superintendent, region of the school district, and student enrollment.

The results of the chi-square test are displayed in Table 11 for the relationship between the cost-saving measures and years as a superintendent. There was a statistically significant relationship between the reduction of advanced class offerings and years as a superintendent. Chi-square was 18.193, $p=.020$.

Table 11

Relationship Between the Cost-Saving Measures and the No. of Years as a Superintendent

Cost-Saving Measures	<i>x²</i>	<i>df</i>	<i>p</i>
Pursue more contractual services with BOCES	11.258	16	.793
Reduction in other positions (teacher aides, clerical, maintenance, transportation)	15.470	16	.491
Reduction in other instructional positions (support positions)	19.410	16	.248
Reduction in teaching positions	21.454	16	.162
Other reduction in student services costs	18.781	16	.280
Increase class sizes	15.297	16	.503
Decrease elective offerings	29.087	16	.023*
Reduction in extra-curricular activities	15.697	16	.474
Reduction in central administration	14.186	16	.585
Reduction in interscholastic sports	19.331	16	.252

Elimination of support services	13.643	16	.625
Reduction in building level administration	18.127	16	.316
Reduction in advanced class offerings	14.435	16	.566
Elimination of early childhood development	9.120	16	.908
Elimination of kindergarten	6.190	12	.906

*p<.05.

Table 12 shows that 36 percent of the superintendents with 9 to 25 years of experience never considered the reduction of advanced course offerings in their districts. Thirty-six percent represents four superintendents. Sixty-four percent of the Superintendents with 0 to 4 years of experience considered, strongly considered, or very strongly considered the reduction of advanced courses in their districts. Superintendents with 5 to 8 years of experience, or 55 percent, never considered or considered but rejected the consideration of the reduction of advanced course offerings in their districts.

Table 12

Superintendents' Consideration of the Reduction of Advanced Course Offerings According to Years of Experience as a Superintendent

Years	n	Never Considered	Considered but rejected	Considered	Strongly Considered	Very strongly Considered
0-4	17	36%	0	23%	23%	18%
5-8	20	10%	45%	25%	20%	0%
9-25	11	36%	18%	0%	18%	18%
Total	48					

There was a statistically significant relationship between the cost-saving measures of reduction in building-level administration and enrollment of the district. Chi-square was 15.403, $p = .05$. There also was a statistically significant relationship between other reductions in student services costs and the enrollment of the district. Chi-square was 16.077, $p = .04$. The results can be seen in Table 13. Note that the Long Island and Hudson Valley school districts are not included in the analysis since there were no participating superintendents from those regions.

Table 13

Relationship Between the Cost-Saving Measures and the Enrollment of the District not Including Long Island and Lower Hudson Valley School Districts

Cost-Saving Measures	χ^2	df	p
Pursue more contractual services with BOCES	9.265	8	.320
Reduction in other positions (teacher aides, clerical, maintenance, transportation)	8.868	8	.354
Reduction in other instructional positions (support positions)	11.944	8	.154
Reduction in teaching positions	7.836	8	.450
Other reductions in student services costs	16.077	8	.041*
Increase class sizes	11.460	8	.177
Decrease elective offerings	10.158	8	.254
Reduction in extra-curricular activities	11.244	8	.188
Reduction in central administration	5.162	8	.740
Reduction in interscholastic sports	11.821	8	.159
Elimination of support services	12.889	8	.115
Reduction in building level administration	15.403	8	.052*

Reduction in advanced class offerings	6.376	8	.605
Elimination of early childhood development	3.822	8	.749
Elimination of kindergarten	9.408	8	.29

*p<.05.

Table 14 shows that 26 percent superintendents with enrollments in their district of 0-750 students responded that they had strongly considered or very strongly considered a reduction in building-level administration. Twenty-six percent represents six superintendents. Sixty-three percent of the responding superintendents with an enrollment of 1,501 to 4,000 strongly considered or very strongly considered the reduction in building level administration. Sixty three percent represents 7 superintendents. Seven out of eleven superintendents with enrollment of 1,501 to 4,000 strongly considered the reduction in building-level administration.

Table 14

Superintendents' Consideration of Reduction in Building-Level Administration According to School District Enrollment Not Including Long Island and Lower Hudson Valley School Districts

Enrollment	n	Never Considered	Considered but rejected	Considered	Strongly Considered	Very strongly Considered
Considered						
0-750	23	39%	35%	17%	9%	0%
751-1500	18	28%	11%	17%	11%	33%
1501-4000	11	18%	18%	0%	18%	45%
Total	52					

Table 15 shows that 91 percent of the responding superintendents with enrollments of 1,501 to 4,000 reported that they strongly considered or very strongly considered other

reductions in student service costs in their districts. In districts with enrollments of 0 to 750, (45%) of the responding superintendents reported that they strongly considered or very strongly considered other reductions in student service costs.

Table 15

Superintendents' Consideration of Other Reductions in Student Service Costs According to School District Enrollment.

Enrollment	Total	Never Considered	Considered but rejected	Considered	Strongly Considered	Very strongly Considered
0-750	22	0	9%	45%	27%	18%
751-1500	18	17%	0%	22%	22%	39%
1501-4000	11	0%	0%	9%	54%	37%
Total	62					

Table 16 shows that superintendents in all three regions strongly or very strongly considered the reduction in other instructional positions. The Southern Tier had the highest percentage (94%) that strongly or very strongly considered the reduction in other instructional positions. The researcher combined categories in Table 16 into the three categories in Table 17. The Western region consists of the Western Region, Finger Lakes, Central New York, and Mohawk Valley. The Capital Region consisted of the Capital Region, North Country, and Mid-Hudson Valley. The Southern Tier consisted of the Southern Tier as the response rate for that region was 20.

Table 16

Superintendents' Consideration of the Reduction in Other Instructional Positions Compared to the Region in the State not Including Long Island and Lower Hudson Valley Districts.

Enrollment		Never Considered	Considered but rejected	Considered	Strongly Considered	Very strongly Considered
Southern Tier	20	0%	0%	6%	59%	35%
Western Region	22	0%	0%	30%	20%	50%
Capital Region	19	6%	6%	38%	6%	44%
Total	61					

Note. Long Island and Lower Hudson were not included because there were no responses to the question.

There was a statistically significant relationship between reductions in other instructional positions and regions of the state. Chi-square was 17.667, $p = .02$. The results are represented below in Table 17.

Table 17

Relationship Between Cost-Saving Measures and the Region of the State

Cost-Saving Measures	χ^2	df	p
Pursue more contractual services with BOCES	9.265	8	.320
Reduction in other positions (teacher aides, clerical, maintenance, transportation)	14.641	8	.067
Reduction in other instructional positions (support positions)	17.667	8	.024*
Reduction in teaching positions	12.584	8	.127
Other reduction in student services costs	10.291	8	.245

Increase class sizes	6.485	8	.593
Decrease elective offerings	14.613	8	.067
Reduction in extra-curricular activities	7.177	8	.518
Reduction in central administration	4.808	8	.778
Reduction in interscholastic sports	11.783	8	.161
Elimination of support services	2.843	8	.944
Reduction in building level administration	11.573	8	.171
Reduction in advanced class offerings	8.617	8	.376
Elimination of early childhood development	6.598	8	.581
Elimination of kindergarten	5.135	8	.527

*p<.05.

Research Question Two: What criteria were used by superintendents in New York State rural school districts to make decisions about eliminating instructional programs in their districts?

Superintendents were asked to rate the extent to which they believed they used the criteria shown in Table 13 and Table 19 in making decisions about eliminating instructional programs in their districts. Survey questions 10 and 11 provided data for this research questions.

Survey question 10 asked superintendents how important eight factors were in their decision making process before the elimination of advanced courses. The eight factors were student interest, class size, cost of program, space, culture, contractual, availability of program at BOCES and Board policy. The responses were organized into five categories to understand the importance the superintendents' perceptions of the factors they used in their districts from very

important to not very important. The responses were numerically coded from: 5 = Very Important, 4 = Important, 3 = Neutral, 2 = Not Important, and 1 = Not Very Important.

Table 18 shows the mean scores for each of the factors that are in survey question 10 of the survey.

The highest mean score (4.67) was the factor of student interest. The second highest mean score (4.44) was class size. The third highest mean score (4.36) was the cost of the program. The factors that were least important when making decisions on the elimination of advanced courses were the availability of program at BOCES (4.02) and Board Policy (3.81) as seen in Table 18.

Table 18

Mean Scores: Superintendents' Perceptions on the Importance of Certain Factors When Making Decisions Before the Elimination of Advanced Courses.

Factor	n	M	SD
Student interest	45	4.67	.52
Class Size	45	4.44	.66
Cost of Program	45	4.36	.74
Space	44	4.13	.77
Culture	44	4.13	.77
Contractual	45	4.04	.85
Availability of program at BOCES	46	4.02	.80
Board Policy	43	3.81	.88

Survey question 11 identified six strategies that superintendents may have used in their districts in making decisions before the elimination of a course. The superintendents were asked to respond to each of the strategies based on the strength of consideration to use that measure in their district. The responses were organized into five categories to understand the strengths of the superintendents' perceptions of the strategies they used in their districts from very strongly considered to never considered. The responses were numerically coded from: 1= Very Strongly Considered, 2= Strongly Considered, 3= Considered, 4= Considered but Rejected, and 5= Never Considered.

Table 19 shows the mean scores for each of the strategies cited in question 11 of the survey: following a strategic plan, researched-based best practices, availability of programs at BOCES, building level committees, district-wide committees, and a survey.

The highest mean score (3.56) was following a strategic plan. The second highest mean score (3.24) was researched-based best practices. The least used strategy (2.2) cited by superintendents was the use of a survey.

Table 19

Mean Scores: Superintendents' Use of Strategies in Making Decisions About the Elimination of Programs.

Criteria	n	M	SD
Following a strategic plan	46	3.56	1.46
Researched-based best practices	45	3.24	1.45
Availability of programs at BOCES	46	2.76	1.32
Building level committees	45	2.75	1.33
District-wide committees	45	2.49	1.42
Survey	45	2.20	1.2

Research Question Three: What effect, if any, do superintendents report that the Property Tax Cap Legislation had on advanced course offerings within their New York State rural school districts?

Survey questions nine and fifteen provided data about the superintendents' perceptions about the effect the Property Tax Cap Legislation had on the advanced course offerings in their districts. Question nine asked superintendents the number of advanced courses they had to cut in recent years since the implementation of the Property Tax Cap Legislation of 2011. Question 15 asked superintendents how many, if any, advanced course offerings were cut in the 2014-2015 budgets that directly resulted from the Property Tax Cap Legislation of 2011.

Fifty Superintendents responded to survey question nine as shown in Table 20. Table 20 shows the majority (74%) of the 50 superintendents who responded indicated they did not have to eliminate any advanced courses in their school in recent years because of the Tax Cap. The second highest number of superintendents (5) reported the elimination of two advanced courses.

Table 20

Superintendents' Responses to the Elimination of Advanced Courses as a Result of the Tax Cap in Recent Years

Number of Courses Eliminated	Number of Superintendents	Percentage
0	37	74%
1	3	6%
2	5	10%
3	2	4%
4	0	0%
5	2	4%
6	1	2%
Total	50	

Forty-nine superintendents responded to question 15. Table 21 shows that the majority (91.8%) of the 49 superintendents who responded indicated that they did not have to eliminate any advanced courses in the 2014-2015 budgets.

Table 21

Superintendents' Responses to the Elimination of Advanced Courses in 2014-2015 as a Result of the Tax Cap.

Number of Courses Eliminated	Number	Percentage
0	45	91.8%
1	3	6.1%
2	1	2%
Total	49	

Research Question Four: What do New York State rural school districts' superintendents think about the financial stability of their districts?

Superintendents were asked about their perception of the financial stability of their districts. The data used to answer research question four came from survey questions 13, 14, 16, 18, 19, and 20. Table 23 shows that 27 superintendents perceived the current financial condition of their district as fair. Table 22 also shows that 30.5 percent of the responding superintendents perceived their current condition as strong and 10.2 percent perceived their districts were either very strong or poor. Only two superintendents perceived their districts were in very poor condition.

Table 22***Superintendents Describing their Current Financial Condition of Their Districts***

Financial Condition	Number	Percentage
Very strong	6	10.2%
Strong	18	30.5%
Fair	27	45.8%
Poor	6	10.2%
Very poor	2	3.3%
Total	59	

Superintendents were asked about their level of concern for their districts' ability to maintain the current advanced course offerings due to the Property Tax Cap in their district. Table 23 shows that 71.2 percent of the respondents to this question responded they were moderately or extremely concerned about their ability to maintain current advanced courses in their districts. Only 5.1 percent were not at all concerned about their ability to maintain advanced courses.

Table 23***Superintendents' Level of Concern of the District's Ability to Maintain Current Advanced Courses Due to the Property Tax Cap.***

Level of Concern	Number	Percentage
Extremely concerned	21	35.6%
Moderately concerned	21	35.6%
Somewhat concerned	11	18.6%
Slightly concerned	3	5.1%
Not at all concerned	3	5.1%
Total	59	

The researcher examined the district's enrollment to understand whether there was a relationship between size of district and superintendents' concern in their district's ability to maintain current advanced course offerings. Table 24 shows Fifty three percent of the responding superintendents with district enrollments of 751-1550 were extremely concerned about their districts' ability to maintain advanced course offerings. Eighty three percent of the responding superintendents with district enrollments of 1501-4000 were extremely or moderately concerned about their districts' ability to maintain advanced course offerings in their districts

Table 24

Level of Concern of Superintendents in Forecasting Districts' Ability to Maintain Advanced Course Offerings Compared to School District Enrollment.

Enrollment	Total	Extremely Concerned	Moderately Concerned	Somewhat Concerned	Slightly Concerned	Not at all Concerned
0-750	24	29%	29%	37%	5%	0%
751-1500	19	53%	26%	5%	0%	16%
1501-4000	12	25%	58%	8%	8%	0%
Total	55					

The researcher examined the three independent variables: years as a superintendent, student enrollment and region of the state to understand relationships between those three variables and superintendents' concern in their district's ability to maintain current advanced course offerings. A chi-square test was conducted to determine whether relationships existed between the independent variables and the districts' ability to maintain current advanced course offerings.

The only statistically significant relationship for this question was between the superintendents' concern in forecasting their districts' ability to maintain current advanced course offerings and the enrollment of the district. Chi-square was 18.366, $p = .02$. The results can be seen in Table 25.

Table 25

Superintendents Forecasted Their Districts' Ability to Maintain Current Levels of Advanced Course Offerings Compared to the Enrollment of the District, Years as a Superintendent and Regions of the State.

Independent Variable	χ^2	df	p
Enrollment of the District	18.366	8	.019*
Years as a Superintendent	5.659	8	.685
Region of the State	12.112	8	.146

* $p < .05$.

Superintendents were asked about their level of concern going into the 2014-2015 budget season for maintaining the current level of instructional programs being offered. Table 26 shows that 72 percent of the superintendents were concerned or very concerned that they were going to be able to maintain their current level of instructional programs. Only 10.3 percent indicated that they were not concerned for the next few years that they would be unable maintain current levels of instructional programs.

Table 26

Superintendents' Level of Concern going into the 2014-2015 Budget Season that they would be able to Maintain Current level of Instructional Programs Being Offered.

Level of Concern	n	Percentage
Very concerned	18	31.6%
Concerned	23	40.4 %
Not concerned this year_	9	13.2%
Not concerned for the next few years as we are financially stable	7	10.3%
Total	57	
	76	

Superintendents were asked to forecast the stability of the current reserves in their districts. Table 27 shows that 44.1 percent of the superintendents responded that they believed their reserves were adequately funded. Fifty-four percent of the responding superintendents perceived their reserves to be underfunded or significantly underfunded.

Table 27

Superintendents' Forecast about the Stability of the Current Reserves in Their District

Stability	n	Percentage
Reserves are adequately funded	26	44.1%
Reserves are underfunded	24	40.6%
Reserves are significantly underfunded	8	13.6%
Reserves are depleted (zero balance)	1	1.7%
Total	59	

Superintendents were asked to project the district's ability to remain fiscally solvent. Table 28 shows that 62.7 percent of the superintendents reported that their districts will remain in good or excellent financial condition. Eighteen superintendents (30.5%) reported their districts will be financially insolvent within four years. Four superintendents reported their districts would be insolvent within two years.

Table 28

Superintendent's Projection of the District's Ability to Remain Fiscally Solvent

Projection	n	Percentage
The district has no issues remain in excellent condition	4	6.8%
The district should remain in good financial standing	33	55.9%
The district will be insolvent within 4 years	18	30.5%
The district will be insolvent within 2 years	4	6.8%
Total	59	

Superintendents were asked about their perceptions of their 2015 tax levy in comparison with the 2014 tax levy. Table 29 shows that 98.3 percent of the respondents had a 2015 tax levy in their district that was at or below the allowable limit as outlined in the Property Tax Cap Legislation. Only one superintendent reported a levy that required a supermajority vote in 2015.

Table 29

The 2015 Tax Levy Compare to last year's Levy (2014)

Levy	n	Percentage
Tax Levy was significantly higher and required a supermajority vote (60%)	1	1.7%
Tax Levy was at the allowable limit (50%+1)	36	62.1%
Tax Levy was below last year's limit	18	31%
Tax Levy was significantly lower than last year	3	5.2%
Total	59	

Summary

Chapter 4 discussed the statistical tests conducted and the analysis of the data using SPSS. The chapter presented demographic data including superintendent experience, district size, free and reduced lunch, district's budget, percentage of the budget levied and number of advanced course offerings.

Each of the four research questions were supported by survey questions that were created by the researcher. A Pearson correlation test and Chi Square were run with each survey question to see what relationships existed between the dependent variables, the questions in the survey, and three independent variables: years as a superintendent, enrollment of the district and region of the district.

Chapter Five provides a summary of findings, conclusions and recommendations for practice and future study.

CHAPTER V: SUMMARY OF FINDINGS, CONCLUSIONS, RECOMMENDATIONS, AND RECOMMENDATIONS FOR FURTHER STUDY

Brief Description of Study

In 2011, the New York State Legislature and the Governor enacted legislation that established a Property Tax Cap on the amount that a local government's or school district's property tax levy could increase each year. The purpose of this quantitative study was to investigate the impact the Property Tax Cap legislation had on the number of advanced courses offered, the cost-saving measures used by superintendents, the criteria used by superintendents when making decisions about the elimination of instructional programs to save money, and how New York State rural, public school superintendents characterized the financial stability of their districts.

The findings from this research may allow policy makers to better understand the effect the Property Tax Cap Legislation had on rural school districts in New York State. The research identified some of the strategies superintendents used in their decision-making regarding instructional decisions and maintaining advanced placement course offerings. The information from the survey will help inform superintendents of the current strategies being used in the field.

The Property Tax Cap legislation had been in effect for two years at the time this study was conducted. There was limited research about the impact the legislation had on rural school districts in New York State. The study was designed to contribute to a greater understanding about the impact that the Tax Cap legislation has had on rural schools in New York State and their educational programs. The research reported the superintendents' perceptions about cost-saving measures, decision making and advanced course offerings superintendents have made during the Tax Levy Cap Era. This study is timely since there has been limited research on the

Property Tax Cap Legislation besides what the State associations of NYSCOSS, NYSSBA and NYSASBO have reported.

Two hundred and seventy-six (276) rural school superintendents in New York State, whose districts were members of the New York State Rural Schools Association (NYSRSA), were invited to participate in the survey. Sixty-eight superintendents responded to the survey, resulting in a response rate of approximately 22 percent. Only two superintendents completed all 20 questions of the survey. The twenty-question survey explored five areas: demographics of the districts studied; identification of cost-saving measures in an effort to maintain programs; criteria used in making decisions before eliminating a course; the effect, if any, the Property Tax Cap Legislation had on advanced course offerings within rural school districts; and rural school district superintendents' perceptions about the financial stability of their districts.

This chapter summarizes the findings from Chapter Four and presents the conclusions and recommendations from this study. The chapter has three subsections: summary of findings, the conclusions, recommendations, and recommendations for further study.

Summary of Findings

Demographics.

There were eight demographic questions that asked about the school districts and superintendents. Seven of the demographic questions asked about the districts' demographics. There was one demographic question that asked about the superintendent's years of service in the superintendent's current district.

The first demographic question indicated 49 of respondent superintendents (79%) had eight years or less experience as a superintendent. The data about years as a superintendent in the current district revealed the following: The most frequent responses with regard to the

number of years in their current position came from 28 superintendents (45.2%) who had five to eight years of experience in their current position. The demographic data were used to analyze the rural school district superintendents' perceptions of the effect the Property Tax Cap had on their districts.

The second demographic question asked what the student enrollment was in the superintendent's district. The largest percentage of responding superintendents (40.3%) had student enrollment under 750 students, signifying the smaller rural districts in the study had a higher participation rate.

The third demographic question asked in what region of the state the district was located. The greatest number of responding superintendents (29.4%) was from the Southern Tier. The Southern Tier consists of Broome, Chemung, Delaware, Otsego, Schuyler, Steuben, and Tioga Counties. Two areas had no representation, Long Island and the Lower Hudson Valley regions. As a result, the researcher was unable to make an analysis between upstate rural and the downstate regions.

The fourth demographic question asked what percentage of students was eligible for free and reduced lunch in their school district for the 2013-2014 school year. Fifty-five percent of the responding superintendents reported that 26% to 50% of their students were eligible for free and reduced lunches.

The fifth demographic question asked what the Combined Wealth Ratio (CWR) was for the superintendents' districts. There were not enough responses for this question to be able to include it in the analyses.

Demographic question six asked about the budget for the 2014-2015 school year. There were 10 responding superintendents (15%) to this question. Four superintendents responded that

their budgets were fewer than 10 million dollars and four superintendents responded that their budgets were 30.1 to 40 million dollars.

The seventh demographic question asked what the percentage of the 2014-2015 budget was the Tax Levy. The data in this study showed the largest percentage of responding superintendents (40%) indicated that the Tax Levy percentage of the budget was between 21 and 40 percent.

The eighth demographic question asked superintendents for the number of advanced placement courses offered in the 2013-2014 school year in their district. In this study, the majority of the responding superintendents (56.8%) reported that they offered 6 to 15 advanced placement courses in their districts.

Research Question One: What cost-saving measures did New York State rural school superintendents report that they used to maintain instructional programs since the Property Tax Cap Legislation became effective?

The first research question sought to investigate the cost-saving measures rural school superintendents reported they used to maintain instructional programs since the Property Tax Cap Legislation became effective. The potential cost-saving measures included: pursue more contractual services with BOCES, reduction in other positions (teacher aides, clerical, maintenance, and transportation), reduction in other instructional positions (support positions), reduction in teaching positions, other reduction in student services costs, increased class sizes, decreased elective offerings, reduction in extra-curricular activities, reduction in central administration, reduction in interscholastic sports, elimination of support services, reduction in building-level administration, reduction in advanced placement courses or enrichment offerings, elimination of early childhood development, and the elimination of kindergarten.

The results showed the highest mean score (4.18) for a cost-saving measure was pursuing more contractual services with BOCES. The second highest mean score (4.14) was for the reduction in other positions (teacher aides, clerical, maintenance, transportation). The third highest mean score (4.10) was for the reduction in other instructional positions (support positions). The fourth highest mean score (4.07) was the reduction in teaching positions.

The cost-saving measure from the superintendents' perception that was considered the least was the elimination of kindergarten (1.40). The cost-saving measure that was considered the second least was the elimination of early childhood development (1.89).

There were significant relationships between some of the cost-saving measures and the three independent variables: years as a superintendent, region of the school district, and student enrollment.

There was a statistically significant relationship between the superintendents' consideration of decreasing elective offerings and years as a superintendent. The degree of consideration of the superintendents about reducing elective offerings decreased as the number of years as a superintendent increased. The data indicated that superintendents with greater experience in the districts did not perceive the reduction of elective offerings as strongly as superintendents with less experience in their positions.

There was a statistically significant relationship between the superintendents' consideration of reductions in building-level administration and school district enrollment. Superintendents of larger school districts had a higher response rate of strongly considering the reduction in building-level administration than districts with smaller enrollments.

There was a statistically significant relationship between the superintendents' consideration of reductions in other instructional positions and the region in the state. The data

showed superintendents' consideration of the reduction in other instructional positions related to their regions in the state.

There was a statistically significant relationship between the consideration of other reductions in student service costs and school district enrollment. The data indicated that superintendents of larger school districts had a higher response rate of strongly considering the reduction in other reductions in student services than districts with smaller enrollments.

Research Question Two: What criteria were used by superintendents in New York State rural school districts to make decisions about eliminating instructional programs in their districts?

The second research question examined the criteria that were used by superintendents in rural school districts in making decisions about eliminating instructional programs in their districts.

The results showed the highest mean score (4.67) was the factor of student interest. Student interest was the factor that the greatest number of superintendents reported that they considered before making decisions about the elimination of programs. Interpreting this data, the data suggested that student interest held a high value with the superintendents when making decisions concerning the elimination of programs.

The criteria with the second highest mean score (4.44) was class size. The criteria with the third highest mean score (4.36) was the cost of the program. The strategy that was least important when making decisions on the elimination of advanced courses was the availability of programs at BOCES (4.02).

The data in question one led the researcher to interpret that superintendents placed a high value on the purchasing of services with BOCES. In research question two, superintendents

reported that the strategy that was least important when making decisions about the elimination of advanced courses was the availability of programs at BOCES.

The study showed that the strategy with the highest mean score being used by superintendents was following a strategic plan (3.56). The data in this study indicated that superintendents used their strategic plans for guidance in making decisions about the elimination of instructional programs in their districts. The second highest strategy used was research-based practices (3.24). The third highest strategy used was the availability of programs at BOCES (2.76). The use of surveys (2.20) was viewed as the least important strategy used by superintendents in making decisions about the elimination of instructional programs. Surveys are tools that can be easily designed and distributed to a large group in a short amount of time. Superintendents' response for the use of surveys was not a strongly considered strategy.

Cross tabulations were conducted between the three independent variables (years as a superintendent, enrollment, and the region) with the dependent variables (student interest, class size, cost of program, contractual, board policy, availability of programs at BOCES, space, cultural, and following a strategic plan). There were no statistically significant relationships identified using the cross tabulations.

Research Question Three: What effect, if any, do superintendents report that the Property Tax Cap Legislation had on advanced course offerings within their New York State rural school districts?

The third research question investigated the extent of the cuts superintendents reported that the Property Tax Cap legislation had on advanced course offerings within New York State rural school districts? The extent of the cuts was measured in terms of cuts to course offerings that the responding superintendents had reported.

In this study, 74 percent of the responding superintendents in the past few years indicated that they did not eliminate any courses as a result of the Tax Cap.

In this study, the data showed that in the 2014-2015 budget, 91.8 percent of the superintendents who responded indicated they did not have to eliminate any advanced courses. Those data are consistent with research by NYSCOSS, (2014) that 88 percent of superintendents in 2013-2014 did not have to eliminate advanced course offerings.

Research Question Four: What do New York State rural school districts' superintendents think about the financial stability of their districts?

The fourth research question examined what responding New York State rural school districts' superintendents thought about the financial stability of their districts in 2013-2014.

From the superintendents' perspective on their financial condition of their district, 45.8 percent perceived the current financial condition as fair and 30.5 percent perceived the financial condition as strong.

The data in this study indicated that 71 percent of the responding superintendents were moderately or extremely concerned about their ability to maintain current advanced courses in their districts. Seventy-two percent of the superintendents were concerned or very concerned that they were going to be able to maintain their current level of instructional programs.

In this study, responding superintendents (53%) with district enrollments of 751 to 1,550 were extremely concerned about their district's ability to maintain advanced course offerings. Eighty-three percent of the responding superintendents with district enrollments of 1,501 to 4,000 were extremely or moderately concerned about their ability to maintain advanced course offerings in their districts.

A significant relationship was found between the superintendents' concern in forecasting their ability to maintain current advanced course offerings and the school district enrollment.

Superintendents of districts with a larger enrollment had a greater level of concern for their ability to maintain advanced course offerings in their districts. The data showed that superintendents in larger districts with enrollments of 751 to 4,000 reported a higher level of concern for the ability to maintain advanced course offerings in their districts than smaller districts with enrollments of 0 to 750.

Seventy-two percent of the superintendents were concerned or very concerned that they were going to be able to maintain their current level of instructional programs. Only 10.3 percent indicated that they were not concerned for the next few years that they would be unable maintain current levels of instructional programs.

Forty-four percent of the superintendents responded that they perceived their reserves were adequately funded. Fifty-four percent of the responding superintendents perceived their reserves to be underfunded or significantly underfunded. Sixty-three percent of the superintendents reported that their districts will remain in good or excellent financial condition. Eighteen superintendents (30.5%) reported their districts will be financially insolvent within four years. Four superintendents (6.8%) reported their districts would be insolvent within two years. To date (2017), there have been no districts that have declared insolvency.

Conclusions

Conclusion one. The first conclusion based on the data is that superintendents looked at consolidation and expanding their services with BOCES before looking at other areas for cost-saving measures in their districts. The highest mean score (4.18) for a cost-saving measure was pursuing more contractual services with BOCES. NYSCOSS (2014) indicated that superintendents increased their participation in BOCES services from 18 percent in 2011-12 to

31 percent in 2013-14. BOCES can provide some programs at a lesser expense than component school districts with small numbers of students participating in those programs.

Conclusion two. Responding superintendents felt very strongly about not reducing kindergarten and early childhood development programs. The lowest mean score (1.40) for a cost-saving measure from the superintendents' perception was the elimination of kindergarten. The second lowest mean score (1.89) for a cost -saving measure that was considered was the elimination of early childhood development. NYSCOSS (2014) reported that one percent of NYS Superintendents had reported in a three year span (2011-2014) that they had considered the elimination of pre-kindergarten.

During that same time frame (2011-2014), no responding superintendent reportedly considered the elimination of kindergarten. It is important to note that in both this study and the reports by NYSCOSS, superintendents' responses were clear concerning their perceptions that they did not consider kindergarten or pre-kindergarten as a cost-saving measure in their districts. . Competitive grants and contracts may have been a factor that caused superintendents to feel strongly about the early childhood and kindergarten programs. The additional resources for early childhood programs may have supported not considering the option of eliminating these programs from their districts' budget. There may not have been as great of an impact on the budget for the early childhood programs as there was for the cost of advanced courses.

Conclusion three. It may be concluded from data in this study that there is more flexibility in larger school districts to absorb reductions in building-level administration versus the smaller school districts that have smaller levels and numbers of administration completing multiple tasks throughout the district.

The data in this study showed that there was a statistically significant relationship between the reduction in building-level administration and enrollment of the district. In this study, 63 percent of the responding superintendents with an enrollment of 1,501 to 4,000 strongly considered or very strongly considered the reduction in building-level administration.

Whereas, only nine percent of the responding superintendents whose districts had lower student enrollments (0-750) strongly considered or very strongly considered the reduction in building- level administration.

Conclusion four. The data in this study showed that there were statistically significant relationships between “other reductions in student services costs” and the enrollment of the district. “Other reductions in student service costs” are those costs other than those that were noted in survey question 12. Examples of “other costs” would include social workers, school counselors, school nurses and prevention programs that support students.

Ninety-one percent of the superintendents in districts with enrollment of 1,501 to 4,000 reported they strongly considered or very strongly considered other reductions in student service costs in their districts. In comparison, 45 percent of the superintendents in districts with enrollment of 0 to 750 reported they strongly considered or very strongly considered other reductions in student service costs in their districts. Districts with larger enrollments may be able to absorb these changes or reorganize staff to minimize the effects of such reductions.

Conclusion five. The data in this study indicated that those superintendents with more administrative experience were more likely to report that their districts maintained advanced course offerings for students than the superintendents with less experience. The data showed that the superintendents (64%) with less than four years of experience reported some level of consideration in cutting advanced course offerings.

Fifty-five percent of the responding superintendents with 9 to 25 years of experience never considered, or considered but rejected, the consideration of the reduction of advanced course offerings. The data indicated that superintendents with more experience were less likely to reduce advanced course offerings in their districts. This may suggest that through

experiences, there are other alternatives to containing costs besides looking at the reduction of advanced course offerings for students, or these superintendents placed a greater value on the advanced courses due to experience.

Conclusion six. It can be concluded that superintendents responded that they valued the use of strategic plans as a strategy for making decisions about programs. The data in this study indicated that the superintendents' strongly valued the use of the district's strategic plan in making decisions about the elimination of programs. The strategic plans may provide the guidance and direction for superintendents to align the allocation of resources and prioritize spending. The strategic plans could provide strategies to cope with the changes and challenges their districts are facing. The data suggest that superintendents in their leadership capacity relied on the structure of the organizational strategic plan as a guide in their decision-making processes. The strategic plan (3.56) and research based best practices (3.24) had the two highest means for the strategies used by superintendents in making decisions before the elimination of instructional programs in their districts.

Conclusion seven. It was concluded that superintendents have been concerned about their ability to maintain advanced course offerings in their districts since the implementation of the Property Tax Cap based on the data of the study. The data in this study showed that the level of concern of the responding superintendents was different based on the enrollment of the district. Fifty-eight percent of the superintendents in districts with enrollments of 0 to 750 were moderately or extremely concerned about their ability to maintain current advanced courses in their districts. Seventy-nine percent of the superintendents in districts with enrollments of 751 to 1,500 were moderately or extremely concerned about their ability to maintain current advanced courses in their districts. Eighty-three percent of the superintendents in districts with enrollments of 1,501 to 4,000 were moderately or extremely concerned about their ability to maintain current

advanced courses in their districts.

Conclusion eight. The data in this study suggested that superintendents have been concerned since the implementation of the Property Tax Cap about their ability to maintain their current level of academic programs in their districts. When the study was conducted in 2014, 72 percent of the responding superintendents were moderately or extremely concerned about their ability to maintain current level of instructional programs in their districts. Two years after this study was conducted, NYSCOSS (2016) reported that “Seventy-nine percent of the superintendents professed some degree of pessimism [about whether their districts would be able to fund programs and services adequate to the needs of their students], including 20 percent declaring themselves to be very pessimistic and six percent, who said that their districts are already unable to fund adequate programs and services” (p. 3). Since 2014 when the study was conducted, the superintendents’ perceptions remained negative about the ability to fund programs and services.

Recommendations

The following recommendations are based on the findings of this research study.

Recommendation one. Based on the results of this research concerning the types of cost-saving measures New York State rural school superintendents reported they used to maintain instructional programs in their districts, it is recommended that professional organizations for superintendents and superintendent preparation programs provide professional development and workshops addressing cost-saving measures, including processes and procedures for adoption and implementation. Professional development may help superintendents in obtaining the information needed for decisions about the expenditure of funds. The professional development could include topics such as: pursuing more contractual services with BOCES, reduction in other

positions, reduction in other instructional positions, and the reduction in teaching positions.

Recommendation two. This recommendation is to align a new superintendent with an experienced superintendent. Superintendents in the early years of their career may benefit from having a mentor or a one-on-one coach to support and assist in developing their budgeting skill sets. The data demonstrated that as years of experience as a superintendent increased, there was a pattern that more experienced superintendents (9-25 years) did not consider the reduction of advanced course offerings as strongly as the less experienced superintendents (0-4 years). The superintendent would have the ability to ask the veteran superintendent the questions that may arise through the course of a school year. The data in the study had shown distinct differences in years of experience in a district and the decision-making processes of veteran superintendents and new superintendents.

Recommendation for Future Research

Recommendation one. This study looked at rural school district superintendents' perceptions of the impact the Property Tax Cap Legislation had on their districts. It is recommended that a study be conducted to examine selected regions of the state. Some regions in New York State have experienced changes over the past decades. Communities have faced a seemingly ever-increasing set of challenges that have ranged from increased property taxes to changing employment opportunities. Some communities have invested in regional economic development projects while other communities did not seek out those economic opportunities. There have been challenges and changes that have affected the economic context for some districts and regions that merits further study.

Recommendation two. This study was a quantitative study that sent surveys to 276 superintendents, with a response rate of 22 percent. Only two respondents completed all survey

questions. The recommendation is to conduct interviews using a qualitative study. The researcher may uncover more data and an understanding about how the Tax Cap has affected school districts during the interviews than what a survey has provided. The researcher may gain insights into beliefs, value systems, feelings and motivations that provide a deeper understanding of the behaviors exhibited by the superintendents. The interviews may result in more data that could be used to analyze the impact of the Tax Cap on the superintendents' decision making processes since the implementation of the Tax Cap in 2012.

Recommendation three. Another recommendation would be to conduct a similar study that would increase and broaden the base of participants to include the business officials and boards of education. The participation of these groups may lead to different responses than what the superintendents provided. The business official could offer analytical and technical business answers to the questions. The board of education would offer a different lens based on the individual school board's budget and governance philosophies. The research could also be broadened and adapted in order to expand and deepen the research with respect to the varying regions within the state.

Recommendation four. The primary focus in this study was looking at the perceptions of the rural school superintendents about the effect the Property Tax Cap had on their districts. Future studies exploring the effect of the Property Tax Cap legislation should include all school districts in New York State. A larger group would increase the number of responses to the survey questions that could provide richer data for further discussions with state policy makers.

Recommendation five: The recommendation for further research would be to study the longer term effects of the tax cap since the implementation in 2012 to present. The study was conducted in 2014, 74% of the 50 superintendents that responded indicated they did not have to eliminate any advanced courses in their schools in recent years, 2012-2013 because of the Tax

Cap. Ninety-one percent of the superintendents that responded indicated that they did not have to eliminate any advanced courses in the 2014-2015 budget. Seventy-one percent of the Superintendents that responded are still moderately or extremely concerned about their district's ability to maintain current advanced courses due to the Tax Cap. The research may be valuable to politicians and educators in future financial discussions.

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Appendix A: Survey Instrument

Dear Superintendents

You are asked to participate in a research project entitled: The impact that the Property Tax Cap legislation of 2011 in New York State has had on rural schools districts and ability to fund their academic programs: A quantitative study of the perceptions of rural school superintendents.

This research is being conducted by: Dr. Robert Bradley, Principal investigator and Thomas W. Palmer, Doctoral Candidate in Educational leadership at Sage Graduate School, in Albany, New York.

The purpose of this quantitative study is for the student researcher to examine the New York State Rural School Superintendents' perception of the impact of the Property Tax Cap legislation on their districts' ability to maintain academic programs.

As a superintendent who leads a rural school district, you are being asked to respond to an on-line survey. The survey will take approximately 10-15 minutes and will be taken on-line through SurveyMonkey.

The benefits of this study are collecting data of the practices superintendents used during the fiscal period of 2012 -2014 and sharing the practices superintendents have used in their districts. It is hoped that this study will provide evidence of best practices that are working in the field of education to maintain educational opportunities for students during times of fiscal challenges.

Participation in the survey is voluntary. At any time during the survey, you may choose not to answer any question with which you are uncomfortable. Your decision to participate in the survey constitutes informed consent. Names of participants in the study will remain confidential. Information that might identify any individual will not be collected. Any data reported will be summary data only. Survey data will be stored on a password protected computer and will be accessible only to the Principal Investigator and the Student Investigator.

There are minimal risks associated with this study. The potential risks are limited to the decisions made by the superintendents regarding the budgetary process and the potential reduction in services for their school district. Nevertheless, all of the data being collected will be done confidentially.

I have been given an opportunity to read and keep a copy of this Agreement and to ask questions concerning the study. Any such questions have been answered to my full and complete satisfaction.

If you have any questions, please feel free to contact me at palmet@sage.edu, or Dr. Robert Bradley, chair of the study, at bradlr2@sage.edu

This research has received the approval of The Sage Colleges Institutional Review Board., which functions to insure the protection of the rights of human participants. If you, as a participant, have any complaints about this study, please contact:

Dr. Esther Haskvitz, Dean
Sage Graduate Schools, Schools of Health Sciences
65 First Street, Troy, New York 12180
518-255-2264 haskve@sage.edu

1. How long have you been superintendent in your current district? (count the current year as a full year)

2. What is the 2013-2014 student enrollment of your district?

3. In what region of the state is your district located?

- ☐ Finger Lakes (Genesee, Livingston, Monroe, Orleans, Seneca, Wayne, Wyoming, Yates)
- ☐ Western Region (Allegany, Cattaraugus, Chautauqua, Erie, Niagara)
- ☐ Capital Region (Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Warren, Washington Counties)
- ☐ Lower Hudson Valley (Putnam, Rockland, Westchester Counties)
- ☐ Mid-Hudson Valley (Dutchess, Orange, Sullivan, Ulster Counties)
- ☐ Mohawk Valley (Fulton, Herkimer, Montgomery, Oneida, Schoharie Counties)
- ☐ Central New York (Genesee, Livingston, Monroe, Orleans, Seneca, Wayne, Wyoming, Yates)
- ☐ North Country (Clinton, Essex, Franklin, Hamilton, Jefferson, Lewis, St. Lawrence Counties)
- ☐ Southern Tier (Broome, Chemung, Delaware, Otsego, Schuyler, Steuben, Tioga Counties)
- ☐ Long Island (Nassau, Suffolk Counties)

4. What was the percentage of students eligible for free and reduced lunch in your school district for the 2013-2014 school year?

5. What was the combined wealth ratio (CWR) for your district for the 2013-2014 school year?

6. What was your budget for the 2014-2015 school year? (rounded to the

nearest \$1,000)

7. What percentage of your 2014-2015 budget was the tax levy?

8. What was the number of advanced courses offered in 2013-2014 school year in your district? [advance courses including Advanced Placement, College, Honors]

9. In recent years, how many, if any, advance courses have you had to cut due to the limited resources that you feel have directly resulted from the Property Tax Cap legislation of 2011?

10. How important were these factors when making decisions before the elimination of advanced courses?

	Very Important	Important	neutral	Not Important	Not Very Important
Student interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Class size	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of the program	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Contractual	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board Policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of program at BOCES	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Space	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Cultural

☐
☐
☐
☐
☐

11. To what degree were the following strategies used in your district in making decisions before the elimination of a course?

	Very Strongly Considered	Strongly Considered	Considered	Considered but rejected	Never Considered
Following a Strategic Plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of program at BOCES	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building Level Committees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
District-Wide Committee (including parents and students)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Survey	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Researched Based Best Practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. To what degree did you think about using some of the following cost saving measures in an effort maintain instructional programs in you district since the implementation of the Property Tax Cap?

	Very strongly considered	Strongly Considered	Considered	Considered but rejected	Never Considered
Reduction of advanced class offerings (AP, Honors and College)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increased class size	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Elimination of Early childhood development services (prekindergarten)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Elimination of kindergarten	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Elimination of support services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Decrease in elective offerings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduction in interscholastic sports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduction in extracurricular activities other than interscholastic sports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pursued more Cross-Contractual Services with BOCES	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduction in Central Administration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduction in Building Level Administration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduction in teaching positions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduction in other instructional positions (support positions)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduction in other positions (teacher aides, clerical, food service, maintenance, transportation)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other reduction in student service costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. How do you describe the current financial condition of your district in its ability to fund your current programs and services in meeting your students' needs?

- ☐ Very strong
- ☐ Strong
- ☐ Fair
- ☐ Poor
- ☐ Very poor

14. How concerned are you when forecasting your district's ability to maintain your current advanced course offerings due to the property tax

cap for your district?

- ☐ Extremely Concerned
- ☐ Moderately Concerned
- ☐ Somewhat Concerned
- ☐ Slightly Concerned
- ☐ Not at all Concerned

15. How many, if any, advanced courses or programs did you cut in the 2014-2015 budget that directly resulted from the Property Tax Cap legislation of 2011?

16. How concerned were you going into the 2014-2015 budget season that you would be able to maintain your current level of instructional programs being offered?

- ☐ Very concerned
- ☐ Concerned
- ☐ Not Concerned this year
- ☐ Not concerned for the next few years as we are financially stable

17. What was the percentage of the 2014-2015 budget levied?

18. The Property Tax Cap legislation is in effect until 2016, what do you forecast as the stability of your district in relation to the current reserves in your district?

- ☐ Reserves are adequately funded
- ☐ Reserves are underfunded
- ☐ Reserves are significantly underfunded
- ☐ Reserves are depleted (zero balance)

19. What are your projections of the District's ability to remain fiscally solvent?

- ☐ The district has no issues and will remain in excellent standing.
- ☐ The district should remain in good financial standings.
- ☐ The district will be insolvent within 4 years.
- ☐ The district will be insolvent within 2 years.

20. Having completed the third year of the Property Tax Cap, how did this year's levy compare to last year's levy?

- ☐ Our tax levy was significantly higher this year and required a super majority 60% to gain voter approval
- ☐ Our tax levy was at the limit allowable and remained at a 50% +1 for voter approval
- ☐ Our tax levy was below last year's levy limit
- ☐ Our tax levy was significantly lower than last year's levy limit

Appendix B: Letter to District Superintendents Encouraging Participation by Component School Superintendents

Dear District Superintendent,

My name is Thomas Palmer. I am a current New York State Superintendent and a doctoral student at Sage Graduate School in Albany, NY.

I am conducting research for my dissertation in understanding the impact the Property Tax Cap legislation has had on the rural schools in New York State. How has it affected the rural school district's ability to maintain academic programs for students in their districts?

I am seeking your help to encourage the participation in this research by your component school district superintendents. Their participation will add to the knowledge about budgetary decision making for maintaining academic programs against during the time of the Property Tax Cap legislation. The survey will take approximately 10-15 minutes to complete. I will be sending out an e-mail with the link to the survey to the superintendents in your BOCES region on July 9, 2014. The survey can be accessed through the following link: <http://www.research.net/s/MLWYP9H>.

The name of their school district will not be identified in the study. All information is confidential. Only aggregated data will be used for analysis. Study results will be presented at the Sage College Doctoral Colloquium in the fall of 2014. Aggregate data will available to any superintendent that is interested. My contact information is below for those that would like to request the data.

If you have any questions, please feel free to contact me at palmet@sage.edu, or Dr. Robert Bradley, chair of my dissertation committee, at bradlr2@sage.edu.

The findings of this study may benefit the work of rural school superintendents and policy makers that affect rural school districts throughout the State. Thank you for your time.

Your assistance with the research is greatly appreciated.

Sincerely

Thomas W. Palmer
Doctoral Candidate & Student Investigator
Sage Graduate School palmet@sage.edu

Appendix C: Chapter 97 of the Laws of 2011 (Part A-Property Tax Cap)

According to Chapter 97 of the Laws of 2011 (Part A-Property Tax Cap), there were eight steps in determining the tax levy limit:

1. Determine the total amount of taxes levied.
2. The total amount of taxes levied in the previous year is multiplied by the tax base growth factor (tax base growth factor is determined by the Commissioner of Tax and Finance).
3. Add any Payment in Lieu of Taxes (PILOTs) received in the base year.
4. Subtract the tax levy necessary to support expenditures for tort actions for any amount that exceeds five percent of the school district's tax levy in the prior year.
5. Multiply the allowable growth factor, (this calculation is provided by the office of the State Comptroller).
6. Subtract any PILOTs receivable in the coming year.
7. Add any available tax levy carryover from the prior fiscal year.
8. Unused exclusions associated with growth in pension costs or tort judgments cannot be carried forward (New York State Department of Taxation and Finance, 2012, p. 4).

Appendix D: Letter of Introduction

Dear Colleague,

My name is Thomas Palmer and I am a current New York State Superintendent and a doctoral student at Sage Graduate School in Albany, NY.

I am conducting research for my dissertation about the impact the Property Tax Cap legislation has had on the rural schools in New York State. I am asking for the help of rural school superintendents in completing a survey that will provide data on the impact the property tax cap had on your district. Your participation will add to the knowledge of budgetary decision making for maintaining academic programs against the backdrop of the Property Tax Cap legislation. Therefore, I would encourage you to please take 10-15 minutes to complete the survey which can be accessed through the following link: <http://www.research.net/s/MLWYP9H>.

The name of your school district will not be identified in the study. All information is confidential. Only aggregated data will be used for analysis and presentation. Study results will be presented at the Sage College Doctoral Colloquium in the fall of 2014. The aggregate results are also available to anyone who is interested in the study. My contact information is below if you are interested in getting a copy of the results.

If you have any questions, please feel free to contact me at palmet@sage.edu, or Dr. Robert Bradley, chair of the study, at bradlr2@sage.edu.

Thank you for taking the time to complete the survey and share your experiences and perceptions about the impact the property tax cap had on your district. Your commitment to students and your districts is commendable and inspirational.

As a fellow superintendent, I know how valuable your time is and appreciate your participation in this important research study.

Sincerely,

Thomas W. Palmer
Doctoral Candidate & Student Investigator
Sage Graduate School palmet@sage.edu

**Appendix E: Letter to Superintendents Thanks for
Encouraging Participation in Survey**

Dear Colleague,

Two weeks ago you received an invitation to participate in a survey regarding the implications of the Property Tax Cap legislation.

If you have already completed the survey, thank you. If you have not completed the survey, please take 10-15 minutes to complete the survey by clicking on the link below:

<http://www.research.net/s/MLWYP9H>.

Your participation in this research will add to the knowledge of budgetary decisions making for maintaining academic programs against the backdrop of the Property Tax Cap legislation.

Thank you for taking the time to complete this survey. Your commitment to students and your districts is commendable and inspirational.

Sincerely,

Thomas W. Palmer
Doctoral Candidate & Student Investigator
Sage Graduate School palmet@sage.edu