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School finance trends in Syracuse 1978-1998

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***SCHOOL FINANCE TRENDS
IN SYRACUSE:
1978 - 1998***

JUNE 1998



COMMUNITY BENCHMARKS PROGRAM
MAXWELL SCHOOL OF CITIZENSHIP AND PUBLIC AFFAIRS
SYRACUSE UNIVERSITY
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Executive Summary

Intent of this Report

This report seeks to provide an overview of Syracuse school finance trends over the last twenty years. It focuses only on school finances and not city finances. The report is intended to provide some perspective on what has happened to the local tax base, local tax effort to support schools, state and federal aid to the schools, and the total revenues and expenditures of the schools.

Report Findings

- The value of the property tax base in Syracuse, while it has not grown much, has not declined in recent years.
- The property tax imposed by the city to provide revenues for the schools, expressed as the tax rate (the percent of the value of taxable property that property owners must pay), has declined since 1987 from 2.0 percent to its current level of 1.2 percent. That has resulted in declining local tax revenues per student since the mid 1980s.
- State aid per student has increased significantly since 1987.
- The Syracuse City Schools currently have approximately \$10,000 per student (all sources) to spend.

Questions That Need to be Answered

- Some explanation is necessary from all officials involved in the school budget process as to why the city contribution to the school district, measured as a tax rate, has declined across time.
- A thorough analysis is necessary to explain whether \$10,000 per student is adequate or inadequate for the district. There are critics who consistently charge that the district wastes money and has too many high paid personnel. Supporters argue that the schools need more money because the city has more students with special education needs. The public needs a thorough review of school district expenditures and a clear explanation of district needs.

The School Finance Debate in Syracuse

The debates about the Syracuse City Schools' budget have been difficult to follow in recent years. There are claims that the school district asks for too much money, that it spends too much, that the city tax base has declined, that the city does not do enough to support the schools, and that the state is not doing enough to help the district. It is difficult to know what to make of these claims.

This report is an attempt to provide some clarity regarding the trends in school finance over the last twenty years. The report was put together because I too have felt very unsure about what was happening regarding school finances. The focus here is only on school taxes, revenues, and expenditures. The city of Syracuse imposes a separate tax on property to support its activities, but those taxes are excluded from consideration here. The pages that follow present indicators of school finance trends for 1978 to 1996 to answer the following questions:

- How has the property tax base of the city changed over time?
- How has the level of property tax revenues raised by the city to support schools changed over time?
- How has the tax rate imposed by the city to support schools changed over time?
- What has happened to the level of state aid provided to the city schools over time?
- What has happened to the level of federal aid provided to the city schools over time?
- How have the total revenues of the city school district changed over time?
- How have the total expenditures of the city school district changed over time?

The hope is that the presentation of these trends will help residents understand what has happened in recent years and allow a more informed debate about school finance. The data are not presented to support the viewpoints of any particular group, but to help residents sort

out differing claims. The report presents some surprising results. The results will provide support to critics and supporters of the city. They also will provide support to critics and supporters of the school district.

Data Sources

The goal of this report is to use fiscal data that are defined in the same way from year to year. Local governments are required to report their finances each year to the Comptroller of New York. Those data are then published annually in the Special Report on Municipal Affairs. Those data are the basis of this report. The Special Reports present, for each school district in the state, among other data, the assessed full (market) value of property, the tax rate applied to the tax base to support schools, the amount of local property taxes raised to support the school district, the number of students in the school district, total state and federal aid, the total revenue of the district, and total expenditures for the district.

Presenting the Data: Coping with Assessment Practices, Correcting for Inflation and Using Per Pupil Rates

Examining data over time often presents problems of comparability. In this case, there are three problems with comparing data over time. First, the value of local property tax bases has not been presented in constant terms over time. Second, inflation changes the apparent value of property, revenues, and expenditures, and it is necessary to express these values in some comparable terms over time. Third, the number of students changes over time, presumably changing the revenue and expenditure needs of school districts. While the desire is not to present a report mired in technical issues, it is necessary to make decisions on how to handle these matters to understand school finance over time.

The most complicated, and perhaps most important, matter is the first issue of how to present the tax base. For years local governments have been reluctant to regularly reassess local properties to keep up with market values and inflation. The fear was that the general public would see increased assessments as bringing increased local property taxes, so annual reassessments were not conducted. When the state government tried to determine which communities had wealthy or poor tax bases prior to distributing state aid, local assessment practices made it difficult to determine the value of local tax bases. In response the state created equalization ratios that allow the state to roughly estimate the current market values of local tax bases.

If a home is assessed locally at \$10,000, but is selling for \$100,000, the home is regarded as assessed at .10 of its actual market value ($\$10,000 / \$100,000$). If the assessed value (as recorded locally) is divided by the equalization ratio, it gives what is called the full value of local property, or the current market value. $\$10,000$ divided by .10 equals \$100,000. The state can calculate the equalization ratio for each year by comparing local sale prices with assessed values. If the local government does not reassess and local assessed values become increasingly divergent from current market values, the state can compensate for this by using the equalization ratio for each year to estimate a current market or full value for each year.

The matters of locally assessed values, equalization rates, and full value become very important in trying to represent the property tax base of a city like Syracuse over time. Because the city did not reassess to full value for many years (it began using full value in 1998), the equalization rate declined steadily over time. This meant that the tax base reported by the city was falling further and further below full, or market values. In other words, the tax base reported by the city was less and less connected to the real, market, value

of the tax base. The trend in the equalization rate for Syracuse is shown in the table on page 5. In 1978 property was assessed at 34 percent of its market or full value. By 1996 it was assessed at 9.95 percent of its market value. To present the tax base of the city in terms of market, or full, values over time, the table presents the full value of property in the city, as determined by expressing it in terms of full value. This is shown in the fourth column. The second column reports the taxable property that the city reported each year until 1998, when the city also used full values. The locally reported values become the same as the full values beginning in 1998, when local property was assessed at 100 percent of its market value. Because the desire here is to express the local property tax base in market values, the full value assessment is used in this report. As will be seen later in discussing tax rates applied to the tax base, understanding the differences between city reported values and full value reports become very important to understanding tax rates.

The second problem is how to cope with inflation. It is difficult to compare fiscal data over time. Since 1978, the initial year used in this study, the cost of living has increased and this changes the value of dollars from one year to another. If the school district had \$50 million in revenues in 1978 and \$100 million in revenues in 1996, but the cost of living, due to inflation, is twice as much in 1996 as in 1978, the district really has revenues worth the same amounts in both years. To allow presentation of all trend data in comparable dollars, all figures taken from the Special Reports were corrected for inflation. All figures are expressed in terms of 1996 dollars.¹ For those interested, the dollar amounts reported in the

¹ Formally, this was done by using the Consumer Price Index, CPI, with 1982-84 = 100. The CPI was first converted to 1996 dollars by dividing the index by the 1996 value. This establishes 1996 as 1.00, and prior years, with lower CPI values, have values less than 1.00. The dollar amounts for each year are then divided by this new index, so all values are expressed in terms of 1996 values. The important matter is that dollars across time are expressed in terms of 1996 dollar values. The effects of the corrections are shown in the Appendices at the end of the report, where all figures are expressed in terms of current, for each year, and real dollar amounts.

Special Reports and the inflation adjusted dollar amounts are presented in the Appendices at the end of the report.

The Syracuse Property Tax Base: Non - Full Value and Full Value			
Source	Property Value Data		
	Reported by By City (not full value) (City)	Equalization Rates (Comp)	Full Value (Comp)
Year			
1978	\$471,038,000	34.04	\$1,383,776,000
1979	\$469,552,000	30.53	\$1,538,001,000
1980	\$467,631,000	27.80	\$1,682,125,000
1981	\$456,848,000	25.34	\$1,850,423,000
1982	\$453,530,000	22.95	\$2,020,118,000
1983	\$452,411,000	22.93	\$2,016,248,000
1984	\$448,761,000	22.18	\$2,067,597,000
1985	\$449,261,000	22.20	\$2,067,478,000
1986	\$445,971,000	21.59	\$2,141,231,000
1987	\$446,643,000	20.66	\$2,217,369,000
1988	\$444,489,000	19.73	\$2,308,609,000
1989	\$444,225,000	16.76	\$2,721,183,000
1990	\$429,419,000	14.41	\$3,053,417,000
1991	\$416,143,000	13.08	\$3,261,481,000
1992	\$399,933,000	11.06	\$3,771,706,000
1993	\$379,074,000	11.13	\$3,499,818,000
1994	\$370,632,000	11.45	\$3,326,572,000
1995	\$366,890,000	11.24	\$3,354,067,000
1996	\$350,631,000	9.95	\$3,621,759,000
1997	\$3,692,912,457	97.92	\$3,771,356,675
1998	\$3,663,282,463	100	\$3,663,282,463

Sources: The data are taken from City of Syracuse Reports and from Special Reports of the Comptroller. The latter are based on information submitted by the city to the Comptroller. The sources are noted above under each column.

Finally, there is also the issue of whether to present finance data in terms of total dollar amounts or in per pupil amounts. Since revenues are used to educate children, it seems more appropriate to express amounts in per pupil amounts. All of the fiscal data in the

following graphs are presented in per pupil amounts. To derive these amounts, all total dollar amounts were first corrected for inflation. These corrected amounts were then divided by the total number of students in the district. All data, therefore, are inflation adjusted figures per pupil.

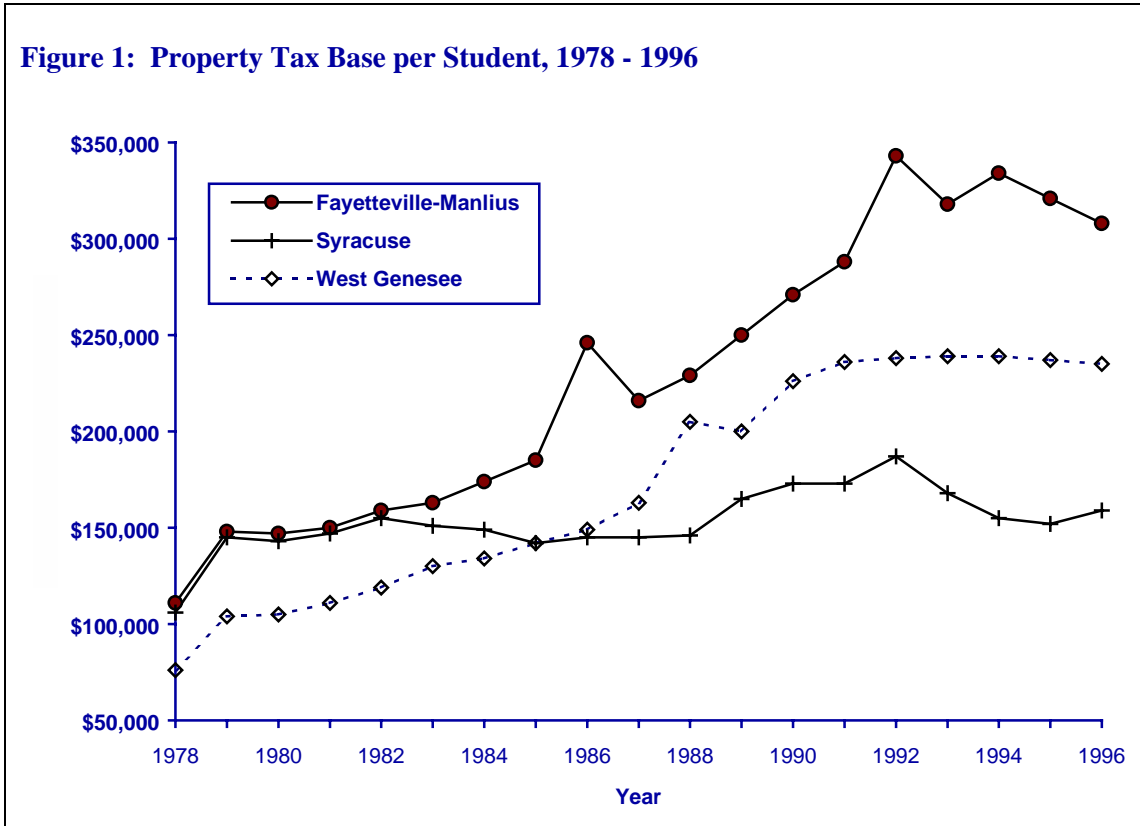
A Comparative Perspective

Finally, the school finance debate often involves comparison of Syracuse with other districts. It is claimed that suburban districts have wealthier tax bases, so they can tax at a lower rate and raise more revenue. It is also claimed that they are better connected politically, so they get more school aid. To provide a limited comparative perspective, this report compares Syracuse with two districts: Fayetteville-Manlius, a district that has developed a more affluent property tax base than Syracuse; and, West Genesee, a district that has a tax base that is in between those of Fayetteville-Manlius and Syracuse. This comparison should by no means be considered exhaustive, but it does provide some perspective in assessing the situation in Syracuse.

Tax Bases per Student

Figure 1 presents the per pupil tax base available to support schools in the three districts. As is commonly assumed, the tax bases in the suburbs have increased significantly, while that in Syracuse has not. The tax base per pupil in Fayetteville-Manlius, adjusted for inflation, has tripled in the last twenty years, while that in West Genesee has doubled.

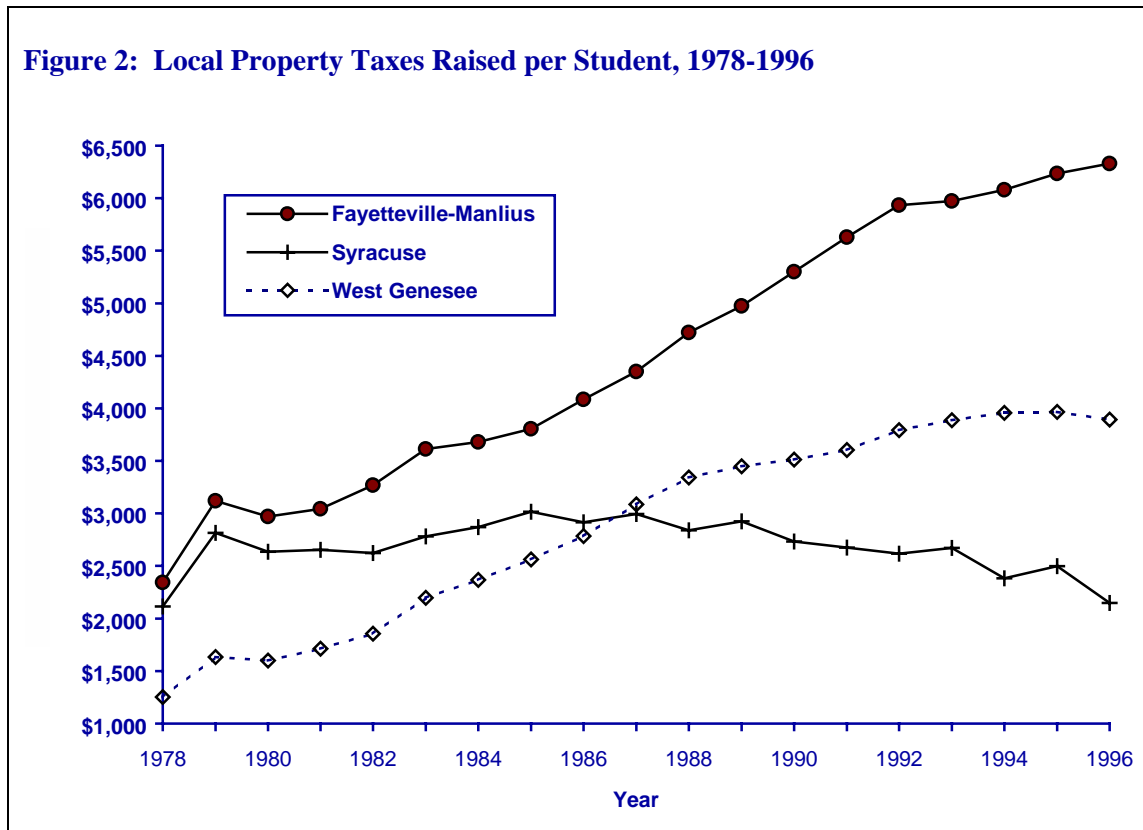
The tax base in Syracuse, while it has not increased significantly, has not declined over the twenty years. In 1978 it was \$106,000 per pupil. By the late 1980s it had risen to \$165,000 per pupil. It peaked in 1992 (about when home values were at their highest in Syracuse) at \$187,000 per pupil. Since then it has dropped somewhat, and as of 1996 the assessed property per student was \$159,000. The judgment as to whether it has risen or fallen depends on whether the comparison is with the early 1980s or with 1992.



Local Property Taxes Raised Per Student

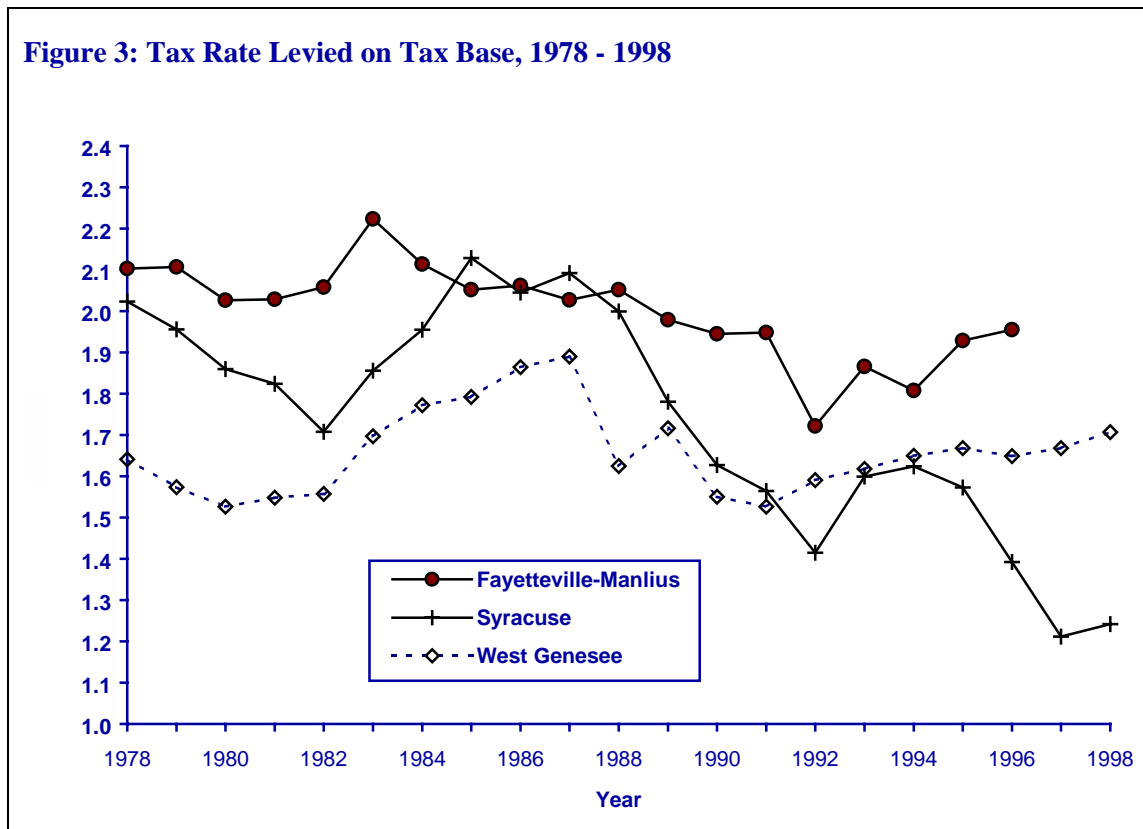
Taxes are imposed locally on the property tax to support schools. This report focuses on those taxes imposed only for schools, and not other local governments. The amount of revenue raised per student through the local property tax is shown in Figure 2. Both Fayetteville-Manlius and West Genesee have steadily increased the per student revenues raised through the local property tax since the late 1970s. Again, in Fayetteville-Manlius locally raised revenues have almost tripled, while they have roughly doubled in West Genesee.

In Syracuse the per pupil revenue raised through the property tax ranged from \$2,600 to \$3,000 during the 1980s. Since 1989 this amount has steadily declined, and as of 1996 stood at \$2,148 per pupil. For whatever reasons, the local contribution, in average dollars corrected for inflation, has declined in recent years.



The Tax Rate Levied on Property for School Purposes

The tax rate - the percent of assessed value of property that property owners must pay in taxes for schools - is shown in Figure 3. These rates are reported by local governments to the Comptroller. The rate for Fayetteville-Manlius has been fairly stable over time, varying around 2.0 percent. West Genesee has varied more, but is now about where it was in the late 1970s. Syracuse has experienced the greatest change. After remaining at around 2.0 percent for most of the 1980s, in 1988 the tax rate began to fall, and by 1996 it was at 1.39. For 1997 and 1998 the tax rate was obtained from the 1997-98 Budget, which reports a further drop to 1.2. For whatever reason, the rate applied in Syracuse to support schools has declined. As shown in the Appendix, the total, adjusted for inflation, dollars raised locally for schools has dropped over the last four years from roughly \$56 million to \$48 million and now to \$45 million the last two years. Tax rates for Fayetteville-Manlius for the last two years are not yet included here.



This trend of a declining tax rate as a percent of full value is clearly at odds with the upward trend in the tax levy per \$1,000 that the city reports. The city has reported the city tax *rate* (% of full value) to support the schools each year to the Comptroller. The city has also reported a rising tax levy per \$1,000 for the schools over the last 20 years. How could both of these be true?

Sorting out this issue is complicated, but is essential to understand if school finance trends are to be understood. The difference is a result of which tax base is used. If the tax base, not assessed at full value, is used, the tax levy appears to be rising. If full value is used, it is declining.

The City of Syracuse has consistently reported in its public budgets the tax *levy* as the amount levied per \$1,000 to the locally assessed (not full value) tax base. This levy has increased because, with a tax base reported each year as a smaller proportion of the market value of property, an apparently larger rate must be applied to generate a roughly equal amount of local property tax revenues. An example may help. Assume the tax base was \$1,000,000,000 one year and \$20,000,000 (2.0 %) was raised for the schools. Expressed in a levy per \$1,000, the tax levy is \$20 per \$1,000. Because of inflation, the next year all market values increase 10 %, and *if* properties were reassessed to keep assessed values at market values, the tax base would be \$1,100,000,000. To keep up with inflation, and generate an amount of tax revenue of equal worth for the schools, the city would again impose a tax of 2%, which raises \$22,000,000. If, however, the tax base is not reassessed, as occurred in the city from 1978 - 1996, then the values on the rolls remains at \$1,000,000,000. If revenues for the schools are to keep up with inflation, the city would have to impose a tax levy of \$22 per \$1,000. This yields tax revenues of \$22,000,000. Both ways of taxation - a 2 % rate each year, or \$20 per \$1,000 one year and then \$22 per \$1,000 the next year generate the

same amounts of money, adjusting for inflation, and represent the same tax rate applied to the tax base. The difference is how the tax rate is expressed.

How, then, could the tax levy per \$1,000 appear to be increasing, but the tax rate be declining? If the focus is always on the tax levy per \$1,000, and it increases, it could happen as follows. If there is a concern with not increasing taxes, and the focus is on the levy per \$1,000, then the desire might be to increase the levy to support schools, but to limit that increase. To return to the prior example, city officials might advocate increasing the levy per \$1,000 to just \$21 rather than \$22. This would increase support (though not as much as if the tax rate were kept at 2.0 %), and would generate \$21,000,000 compared to \$20,000,000 the prior year. The rate of taxation, based on the full, or market value of property, however, would as a consequence fall to 1.9 % or $(\$21,000,000 / \$1,100,000,000)$. Again, while complicated, the issues of how to report the tax base and the tax rate are crucial to understanding whether city support for schools has increased or decreased over time. If city officials became preoccupied with the tax levy per \$1,000 and holding that down, then it is very plausible that they might see city taxes for the schools as increasing. If, however, the focus is on inflation adjusted dollars per student, or tax rates as a percent of full value, it appears that city support has declined. For a more detailed example of how the tax rate and tax levy could diverge, see Appendix II on page 26.

The table on the next page presents the tax levy per \$1,000 and the tax rate as a percent of full value. The first has generally been the focus in city budget reports to residents, while the tax rate has regularly been reported to the Comptroller. Both ways of expressing taxes result in the same tax revenues. That is evident in the years of 1997 and 1998, when the tax levy per \$1,000 is reported for the first time using full values. The levy is \$12 per \$1,000 of full value, which is the same as 1.2 % of full value. The rates appear to be

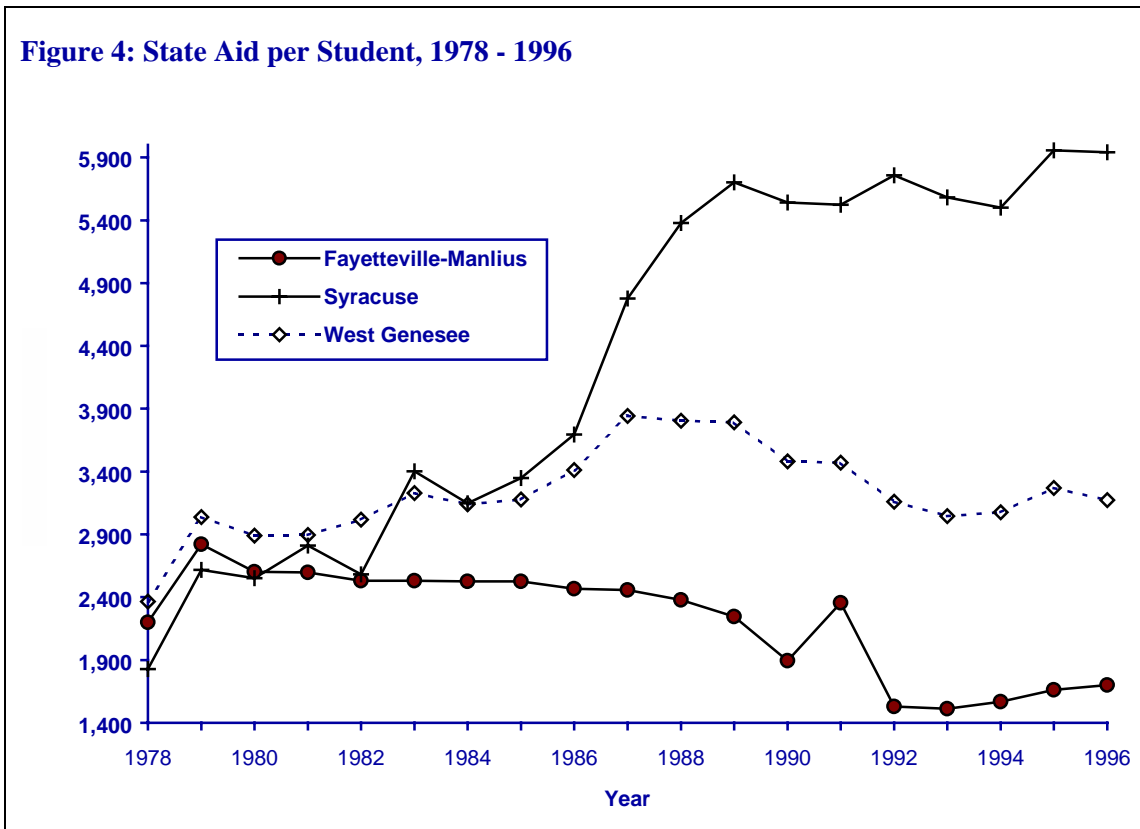
different, but they are not. What is important is that one (tax levy per \$1,000) gives the impression of increased taxes, while the other indicates that tax rates are declining. Whether the tax rate for schools should remain stable or decline is a decision for the political process. The intent here is just to establish the trend in the tax rate imposed to support schools.

Syracuse Property Tax and Tax Rate Data					
Source	Property Value Data			School Tax Levied in City per 1,000 of Non-full Value (City)	School Tax Levy per 100, or as % of Full Value (Comp)
	Reported by By City (not full value) (City)	Equalization Rates (% of full) (Comp)	Full Value (Comp)		
Year					
1978	\$471,038,000	34.04	\$1,383,776,000	\$ 59.42	2.02
1979	\$469,552,000	30.53	\$1,538,001,000	\$ 64.06	1.96
1980	\$467,631,000	27.80	\$1,682,125,000	\$ 66.89	1.86
1981	\$456,848,000	25.34	\$1,850,423,000	\$ 72.28	1.82
1982	\$453,530,000	22.95	\$2,020,118,000	\$ 74.44	1.71
1983	\$452,411,000	22.93	\$2,016,248,000	\$ 80.93	1.86
1984	\$448,761,000	22.18	\$2,067,597,000	\$ 88.13	1.96
1985	\$449,261,000	22.20	\$2,067,478,000	\$ 95.92	2.13
1986	\$445,971,000	21.59	\$2,141,231,000	\$ 95.71	2.05
1987	\$446,643,000	20.66	\$2,217,369,000	\$ 101.28	2.09
1988	\$444,489,000	19.73	\$2,308,609,000	\$ 101.28	2.00
1989	\$444,225,000	16.76	\$2,721,183,000	\$ 106.24	1.78
1990	\$429,419,000	14.41	\$3,053,417,000	\$ 107.64	1.63
1991	\$416,143,000	13.08	\$3,261,481,000	\$ 119.56	1.56
1992	\$399,933,000	11.06	\$3,771,706,000	\$ 127.89	1.42
1993	\$379,074,000	11.13	\$3,499,818,000	\$ 143.67	1.60
1994	\$370,632,000	11.45	\$3,326,572,000	\$ 141.78	1.62
1995	\$366,890,000	11.24	\$3,354,067,000	\$ 139.94	1.57
1996	\$350,631,000	9.95	\$3,621,759,000	\$ 139.94	1.39
1997	\$3,692,912,457	97.92	\$3,771,356,675	\$ 12.17	1.22
1998	\$3,663,282,463	100.0	\$3,663,282,463	\$ 12.42	1.24

Sources: The data are taken from City of Syracuse Reports and from Special Reports of the Comptroller, that are based on information submitted by the city to the Comptroller. The sources are noted above under each column.

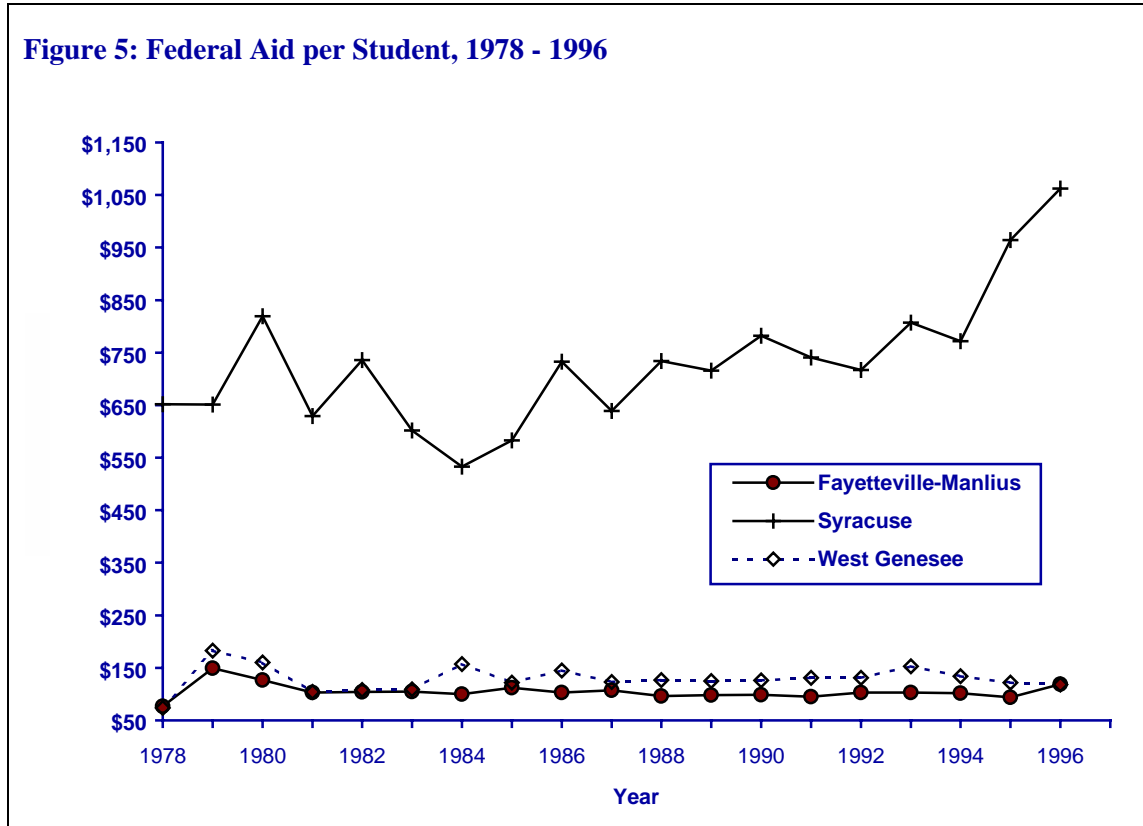
State Aid

State aid levels have followed very different paths in these three districts over time. The per pupil state aid has declined somewhat in Fayetteville-Manlius. In West Genesee it has fluctuated somewhat, but is not much higher now than it was twenty years ago. Syracuse, on the other hand, has experienced a significant increase in aid. The major increases occurred in 1987 and 1988. Since then the district has experienced a level of per pupil aid that is much higher than its aid during the 1980s. Total figures of state aid for 1997 and 1998 have not yet been reported to the state, so any increase from those two years cannot yet be presented here.



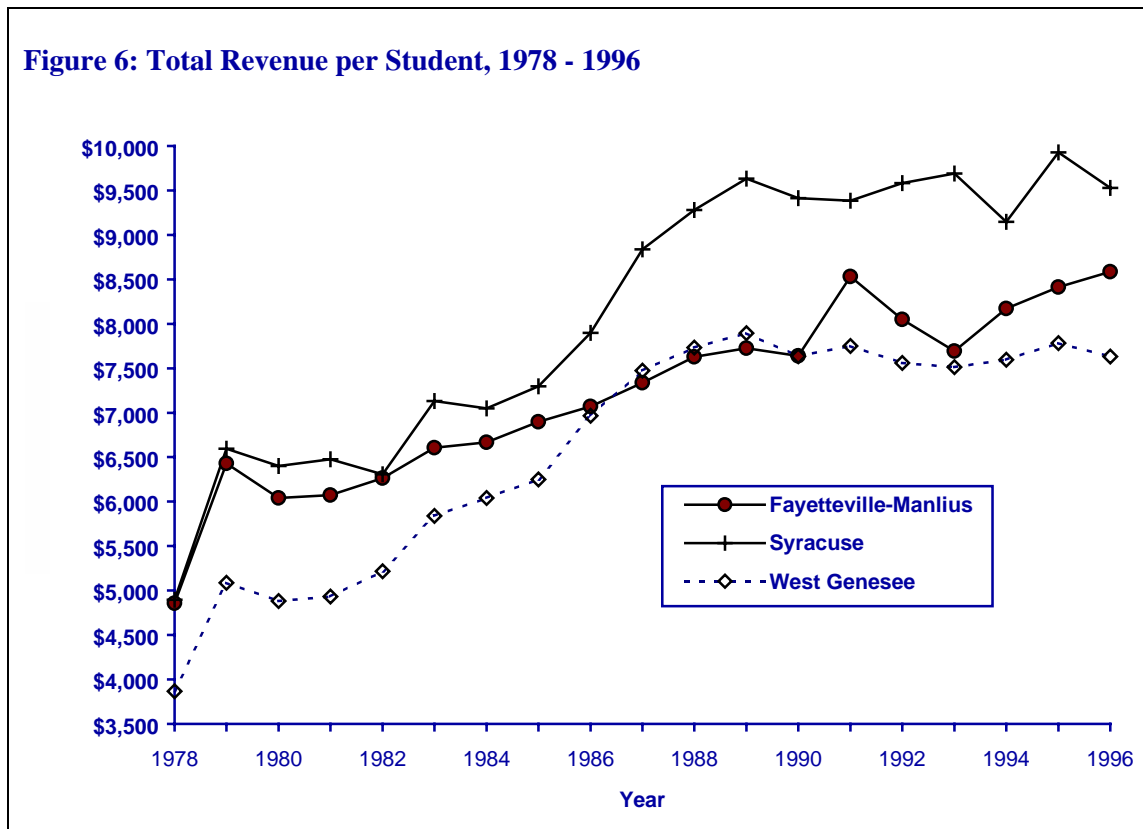
Federal Aid

Federal aid for the Syracuse district is much higher than that for the other two districts. That has been the case for the last twenty years. In 1995 and 1996 there was a further increase in federal aid for Syracuse. It is very important to note that in the budget debates and reports about the size of the budget in Syracuse federal aid is not included in the figure reported to the public. For example, this year's budget is estimated to be about \$175 million, but that does not include federal aid (and some state aid) because those revenues are regarded as grants (applied for each year and not guaranteed that the district will receive the funds, even though they do year after year). The presumption made in this report is that these are revenues to the district and they should be included. They are counted as part of total revenues and total expenditures, reported on the next two pages.



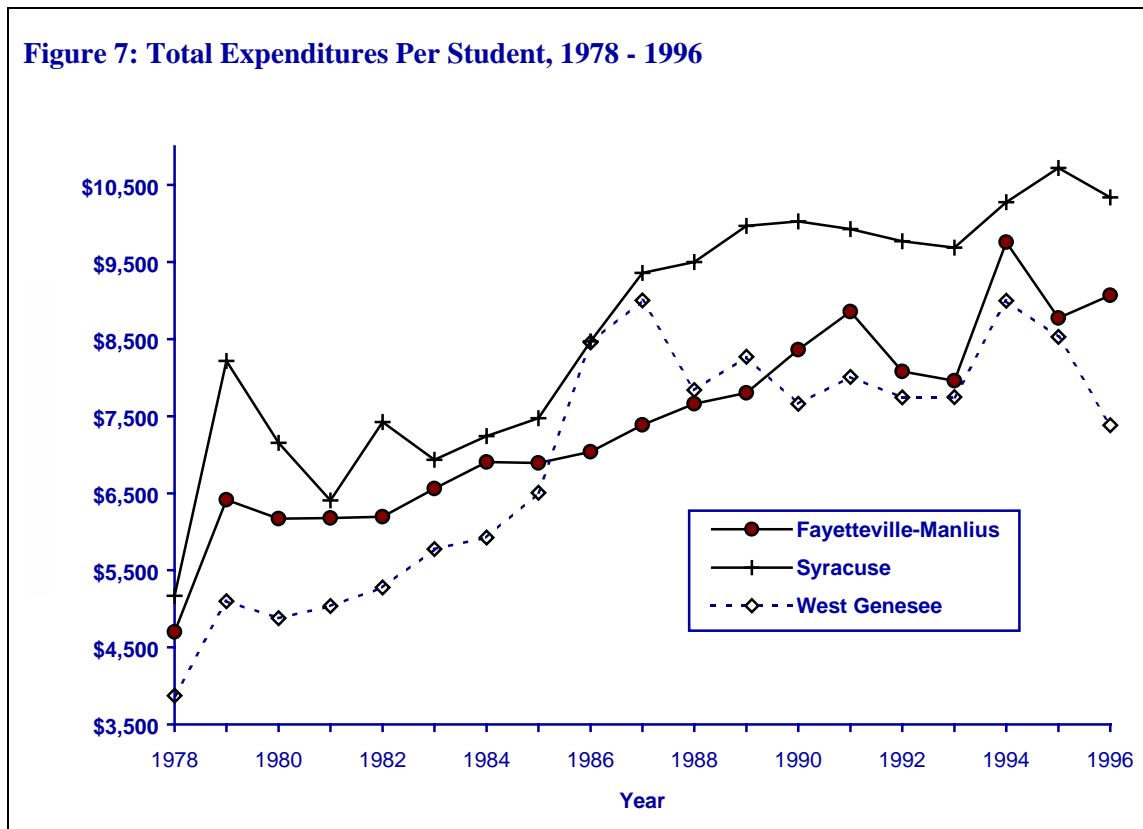
Overall Revenue Per Student

The net effect of all the various sources of revenue - local property taxes, state aid, federal aid, and other sources - results in the total revenue available to a school district. Figure 6 presents the per pupil level of total revenue for the three districts assessed here. Over the last twenty years, the Syracuse school district has experienced a real increase in per pupil revenues. The districts of Fayetteville-Manlius and West Genesee have also experienced increases. The major increases for all three districts occurred during the 1980s. By 1989 the per pupil increases had ceased. Since 1989 the three districts have had fairly stable levels of total revenues. Syracuse schools now have more revenue per student than the other two districts.



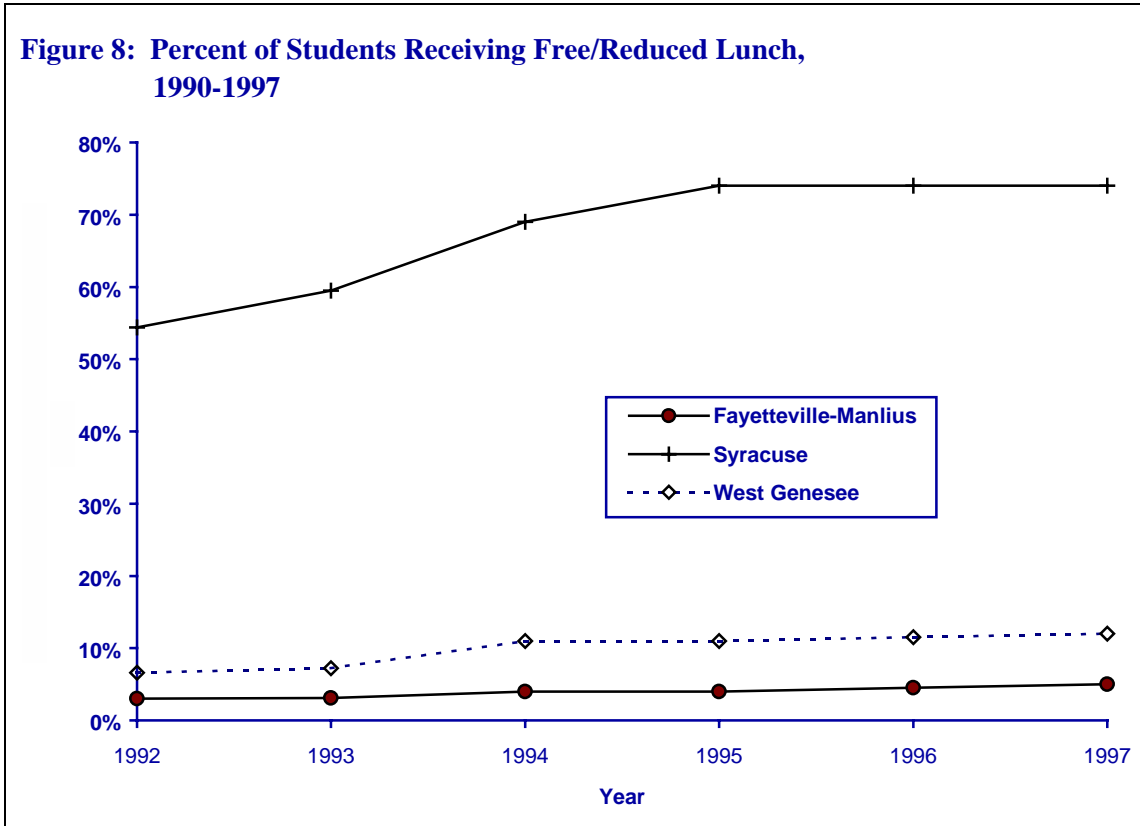
Total Expenditures

As might be expected, given the data on the prior page, total per pupil expenditures increased during the 1980s, and have been more stable since then. Figure 7 indicates that since 1987 the Syracuse school district has consistently spent more per pupil than the other two districts. Many, of course, claim that Syracuse has a school population that needs more support services, and that it must spend more to educate its students. Page 18 presents a contrast of the three districts on some commonly cited indicators of the nature of the population of adults and children. Syracuse schools clearly have more poor students than the other two districts. Nonetheless, Syracuse schools have and spend more per student than the other two districts. Whether those revenues are needed, or the district somehow "wastes" more money, as critics charge, can only be determined by a careful review of school finances.



Differing Student Populations

The Syracuse School District has more students who come from low-income families than the other districts. These students are generally seen as having greater educational needs than students from affluent families. One indication of the presence of poverty is the percentage of students in the schools who receive reduced or free lunches. Eligibility for this program is essentially based on the number of people in the household and the household's overall income. Families must fill out an application about their personal finances and this information is used to determine if a student is eligible for free or reduced lunches. Figure 8 indicates the percentage of students receiving free or reduced lunches in each school district. The Syracuse School District has many more students in this category, and that percentage has increased in recent years. The table on the next page provides a contrast for a limited set of indicators of how Syracuse compares to the other two districts.



**Comparing the Conditions of the Three Districts:
Based on 1990 Census Data For School Districts***

Condition of District	Fayetteville- Manlius	Syracuse	West Genesee
Households			
% of Households on Public Assistance	2%	13%	3%
1989 Average Household Income	\$51,468	\$21,242	\$38,762
1989 Per Capita Income	\$25,659	\$11,352	\$16,084
% with Bachelors Degree Ages 20 and Over	52%	21%	24%
Students			
Total Student Enrollment	4,132	22,790	5,042
% of Youth Ages 6-19 at Risk	0%	10%	0%
Census Poverty Index	2	29	4
% Free/Reduced Lunch	5%	74%	12%
Suspension Rate	1.8%	12.1%	3.7%
Dropout Rate	0.6%	5.4%	1.8%
% Dropouts Ages 16-19	2%	21%	3%
% Dropouts Ages 20 and Over	6%	26%	14%
Teachers			
Pupils to Teacher Ratio	14	12	15
Median Teacher Salary	\$43,074	\$36,421	\$41,906

***Source:** The data presented in this chart were taken from the following website:
<http://www.nysed.gov/chap655.html>.

Tax Base Data: 1978-1996												
	Fayetteville-Manlius				Syracuse				West Genesee			
Year	Assessed Value		# of	Real Value	Assessed Value		# of	Real Value	Assessed Value		# of	Real Value
	Nominal	Real*	Students	per Student	Nominal	Real	Students	per Student	Nominal	Real	Students	per Student
1978	\$285,337	\$523,453	4,695	\$110,000	\$1,383,776	\$2,538,547	24,036	\$106,000	\$315,796	\$579,330	7,590	\$76,000
1979	\$298,851	\$643,394	4,339	\$148,000	\$1,538,001	\$3,311,151	22,778	\$145,000	\$341,265	\$734,707	7,080	\$104,000
1980	\$318,967	\$605,031	4,126	\$147,000	\$1,682,125	\$3,190,730	22,287	\$143,000	\$369,507	\$700,897	6,684	\$105,000
1981	\$344,987	\$593,195	3,955	\$150,000	\$1,850,423	\$3,181,750	21,668	\$147,000	\$397,921	\$684,214	6,185	\$111,000
1982	\$376,627	\$610,019	3,837	\$159,000	\$2,020,118	\$3,271,963	21,100	\$155,000	\$425,726	\$689,544	5,785	\$119,000
1983	\$383,102	\$601,193	3,694	\$163,000	\$2,016,248	\$3,164,052	20,901	\$151,000	\$435,616	\$683,602	5,277	\$130,000
1984	\$417,582	\$628,182	3,609	\$174,000	\$2,067,597	\$3,110,350	20,881	\$149,000	\$455,236	\$684,826	5,125	\$134,000
1985	\$457,276	\$664,240	3,583	\$185,000	\$2,067,478	\$3,003,223	21,191	\$142,000	\$475,764	\$691,096	4,855	\$142,000
1986	\$623,796	\$889,592	3,621	\$246,000	\$2,141,231	\$3,053,599	21,012	\$145,000	\$497,650	\$709,696	4,770	\$149,000
1987	\$568,197	\$781,771	3,616	\$216,000	\$2,217,369	\$3,050,834	21,112	\$145,000	\$571,105	\$785,772	4,834	\$163,000
1988	\$639,189	\$844,508	3,686	\$229,000	\$2,308,609	\$3,050,174	20,877	\$146,000	\$719,976	\$951,245	4,642	\$205,000
1989	\$746,188	\$940,558	3,760	\$250,000	\$2,721,183	\$3,430,007	20,786	\$165,000	\$736,759	\$928,673	4,634	\$200,000
1990	\$856,155	\$1,023,849	3,775	\$271,000	\$3,053,417	\$3,651,485	21,121	\$173,000	\$865,360	\$1,034,857	4,580	\$226,000
1991	\$945,855	\$1,085,442	3,773	\$288,000	\$3,261,481	\$3,742,801	21,656	\$173,000	\$954,847	\$1,095,761	4,646	\$236,000
1992	\$1,162,388	\$1,294,948	3,777	\$343,000	\$3,771,706	\$4,134,994	22,133	\$187,000	\$1,016,420	\$1,132,334	4,759	\$238,000
1993	\$1,139,796	\$1,232,873	3,874	\$318,000	\$3,499,818	\$3,785,616	22,550	\$168,000	\$1,059,917	\$1,146,471	4,787	\$239,000
1994	\$1,261,209	\$1,325,669	3,967	\$334,000	\$3,326,572	\$3,496,592	22,575	\$155,000	\$1,087,740	\$1,143,334	4,775	\$239,000
1995	\$1,274,263	\$1,308,589	4,077	\$321,000	\$3,354,067	\$3,444,420	22,680	\$152,000	\$1,132,164	\$1,162,663	4,904	\$237,000
1996	\$1,274,158	\$1,274,158	4,132	\$308,000	\$3,621,759	\$3,621,759	22,790	\$159,000	\$1,186,797	\$1,186,797	5,042	\$235,000

*Real means adjusted for inflation.

Tax Yield: 1978-1996												
	Fayetteville-Manlius				Syracuse				West Genesee			
Year	Tax	Real Tax	# of Students	Real Tax per Student	Tax	Real Tax	# of Students	Real Tax per Student	Tax	Real Tax	# of Students	Real Tax per Student
1978	\$5,999,874	\$11,006,811	4,695	\$2,344	\$27,722,492	\$50,857,107	24,036	\$2,116	\$5,182,550	\$9,507,424	7,590	\$1,253
1979	\$6,290,883	\$13,543,595	4,339	\$3,121	\$29,783,808	\$64,121,339	22,778	\$2,815	\$5,372,713	\$11,566,874	7,080	\$1,634
1980	\$6,461,630	\$12,256,708	4,126	\$2,971	\$30,971,486	\$58,748,098	22,287	\$2,636	\$5,637,582	\$10,693,617	6,684	\$1,600
1981	\$6,999,200	\$12,034,928	3,955	\$3,043	\$33,426,000	\$57,475,069	21,668	\$2,653	\$6,158,100	\$10,588,680	6,185	\$1,712
1982	\$7,745,700	\$12,545,626	3,837	\$3,270	\$34,171,700	\$55,347,531	21,100	\$2,623	\$6,628,400	\$10,735,947	5,785	\$1,856
1983	\$8,507,200	\$13,350,154	3,694	\$3,614	\$37,045,600	\$58,134,812	20,901	\$2,781	\$7,390,400	\$11,597,586	5,277	\$2,198
1984	\$8,827,500	\$13,279,483	3,609	\$3,680	\$39,830,500	\$59,918,259	20,881	\$2,870	\$8,066,700	\$12,134,988	5,125	\$2,368
1985	\$9,385,000	\$13,632,672	3,583	\$3,805	\$43,989,500	\$63,899,246	21,191	\$3,015	\$8,561,600	\$12,436,599	4,855	\$2,562
1986	\$10,374,800	\$14,795,449	3,621	\$4,086	\$42,960,600	\$61,265,892	21,012	\$2,916	\$9,312,800	\$13,280,936	4,770	\$2,784
1987	\$11,429,200	\$15,725,211	3,616	\$4,349	\$45,937,700	\$63,204,776	21,112	\$2,994	\$1,083,900	\$14,913,029	4,834	\$3,085
1988	\$13,172,000	\$17,403,074	3,686	\$4,721	\$44,873,300	\$59,287,378	20,877	\$2,840	\$11,740,200	\$15,511,355	4,642	\$3,342
1989	\$14,838,200	\$18,703,312	3,760	\$4,974	\$48,234,800	\$60,799,187	20,786	\$2,925	\$12,685,200	\$15,989,490	4,634	\$3,450
1990	\$16,733,000	\$20,010,466	3,775	\$5,301	\$48,253,400	\$57,704,716	21,121	\$2,732	\$13,450,400	\$16,084,908	4,580	\$3,512
1991	\$18,510,200	\$21,241,881	3,773	\$5,630	\$50,497,800	\$57,950,119	21,656	\$2,676	\$14,596,900	\$16,751,068	4,646	\$3,605
1992	\$20,119,900	\$22,414,400	3,777	\$5,934	\$51,984,700	\$57,913,105	22,133	\$2,617	\$13,204,100	\$18,052,037	4,759	\$3,793
1993	\$21,393,600	\$23,140,621	3,874	\$5,973	\$55,727,500	\$60,278,258	22,550	\$2,673	\$17,196,600	\$18,600,890	4,787	\$3,886
1994	\$22,951,900	\$24,124,963	3,967	\$6,081	\$51,210,000	\$53,827,323	22,575	\$2,384	\$17,977,000	\$18,895,798	4,775	\$3,957
1995	\$24,751,400	\$25,418,159	4,077	\$6,235	\$55,139,600	\$56,624,964	22,680	\$2,497	\$18,934,600	\$19,444,665	4,904	\$3,965
1996	\$26,153,400	\$26,153,400	4,132	\$6,329	\$48,963,100	\$48,963,100	22,790	\$2,148	\$19,628,500	\$19,628,500	5,042	\$3,893

Tax Rate: 1978-1996					
	Fayetteville Manlius	West Genesee	Syracuse		
Year			School	City	Total
1978	2.10	1.64	2.02	.55	2.57
1979	2.11	1.57	1.96	.48	2.44
1980	2.03	1.53	1.86	.36	2.22
1981	2.03	1.55	1.82	.40	2.22
1982	2.06	1.56	1.71	.35	2.06
1983	2.22	1.70	1.86	.48	2.34
1984	2.11	1.77	1.96	.49	2.45
1985	2.05	1.79	2.13	.56	2.69
1986	2.06	1.86	2.05	.23	2.28
1987	2.03	1.89	2.09	.15	2.24
1988	2.05	1.63	2.00	.37	2.37
1989	1.98	1.72	1.78	.43	2.21
1990	1.95	1.55	1.63	.48	2.11
1991	1.95	1.53	1.56	.47	2.03
1992	1.72	1.59	1.42	.40	1.82
1993	1.87	1.62	1.60	.48	2.08
1994	1.81	1.65	1.62	.25	1.87
1995	1.93	1.67	1.57	.60	2.17
1996	1.96	1.65	1.39	.69	2.08
1997		1.67	1.21		
1998		1.71	1.24		

State Aid: 1978-1996												
	Fayetteville-Manlius				Syracuse				West Genesee			
Year	State Aid	Real State Aid	# of Students	Real State Aid per Student	State Aid	Real State Aid	# of Students	Real State Aid per Student	State Aid	Real State Aid	# of Students	Real State Aid per Student
1978	\$5,633,419	\$10,334,547	4,695	\$2,201	\$23,970,103	\$43,973,323	24,036	\$1,829	\$9,790,208	\$17,960,206	7,590	\$2,366
1979	\$5,683,785	\$12,236,578	4,339	\$2,820	\$27,687,554	\$59,608,329	22,778	\$2,617	\$9,988,446	\$21,504,051	7,080	\$3,037
1980	\$5,662,527	\$10,740,934	4,126	\$2,603	\$29,971,888	\$56,852,016	22,287	\$2,551	\$10,180,305	\$19,310,457	6,684	\$2,889
1981	\$5,975,500	\$10,274,705	3,955	\$2,598	\$35,427,500	\$60,916,592	21,668	\$2,811	\$10,412,600	\$17,904,174	6,185	\$2,895
1982	\$5,998,100	\$9,715,057	3,837	\$2,532	\$33,644,900	\$54,494,278	21,100	\$2,583	\$10,779,300	\$17,459,115	5,785	\$3,018
1983	\$5,960,400	\$9,353,519	3,694	\$2,532	\$45,305,400	\$71,096,727	20,901	\$3,402	\$10,855,500	\$17,035,288	5,277	\$3,228
1984	\$6,061,300	\$9,118,202	3,609	\$2,527	\$43,677,800	\$65,705,872	20,881	\$3,147	\$10,694,800	\$16,088,520	5,125	\$3,139
1985	\$6,233,400	\$9,054,651	3,583	\$2,527	\$48,852,500	\$70,963,250	21,191	\$3,349	\$10,622,100	\$15,429,686	4,855	\$3,178
1986	\$6,260,800	\$8,928,495	3,621	\$2,466	\$54,433,200	\$77,626,908	21,012	\$3,694	\$11,414,400	\$16,278,018	4,770	\$3,413
1987	\$6,454,000	\$8,879,931	3,616	\$2,456	\$73,313,700	\$100,870,874	21,112	\$4,778	\$13,499,400	\$18,573,558	4,834	\$3,842
1988	\$6,636,100	\$8,767,730	3,686	\$2,379	\$84,996,200	\$112,298,445	20,877	\$5,379	\$13,368,000	\$17,662,032	4,642	\$3,805
1989	\$6,700,200	\$8,445,494	3,760	\$2,246	\$94,035,000	\$118,529,601	20,786	\$5,702	\$13,937,300	\$17,567,742	4,634	\$3,791
1990	\$5,975,800	\$7,146,270	3,775	\$1,893	\$97,868,900	\$117,038,325	21,121	\$5,541	\$13,332,100	\$15,943,437	4,580	\$3,481
1991	\$7,743,400	\$8,886,148	3,773	\$2,355	\$104,240,700	\$119,624,239	21,656	\$5,524	\$14,051,700	\$16,125,409	4,646	\$3,471
1992	\$5,191,000	\$5,782,989	3,777	\$1,531	\$114,366,500	\$127,409,009	22,133	\$5,757	\$13,493,000	\$15,031,760	4,759	\$3,159
1993	\$5,417,900	\$5,860,331	3,874	\$1,513	\$116,375,500	\$125,878,828	22,550	\$5,582	\$13,482,400	\$14,583,385	4,787	\$3,046
1994	\$5,912,300	\$6,214,475	3,967	\$1,567	\$118,146,900	\$124,185,343	22,575	\$5,501	\$13,973,500	\$14,683,385	4,775	\$3,076
1995	\$6,599,100	\$6,776,868	4,077	\$1,662	\$131,556,000	\$135,099,887	22,680	\$5,957	\$15,614,700	\$16,035,333	4,904	\$3,270
1996	\$7,025,500	\$7,025,500	4,132	\$1,700	\$135,394,200	\$135,394,200	22,790	\$5,941	\$15,998,200	\$15,998,200	5,042	\$3,173

Federal Aid: 1978-1996												
	Fayetteville-Manlius				Syracuse				West Genesee			
Year	Federal Aid	Real Federal Aid	# of Students	Real Federal Aid per Student	Federal Aid	Real Federal Aid	# of Students	Real Federal Aid per Student	Federal Aid	Real Federal Aid	# of Students	Real Federal Aid per Student
1978	\$196,895	\$361,205	4,695	\$77	\$8,548,707	\$15,682,663	24,036	\$652	\$306,153	\$561,640	7,590	\$74
1979	\$301,069	\$648,169	4,339	\$149	\$6,890,516	\$14,834,541	22,778	\$651	\$601,578	\$1,295,133	7,080	\$183
1980	\$276,882	\$525,202	4,126	\$127	\$9,622,592	\$18,252,562	22,287	\$819	\$562,953	\$1,067,834	6,684	\$160
1981	\$236,800	\$407,171	3,955	\$103	\$7,928,200	\$13,632,317	21,668	\$629	\$374,000	\$643,083	6,185	\$104
1982	\$246,300	\$398,929	3,837	\$104	\$9,588,100	\$15,529,741	21,100	\$736	\$384,500	\$622,770	5,785	\$108
1983	\$246,300	\$386,513	3,694	\$105	\$8,019,400	\$12,584,661	20,901	\$602	\$366,100	\$574,512	5,277	\$109
1984	\$241,100	\$362,694	3,609	\$100	\$7,399,900	\$11,131,900	20,881	\$533	\$533,900	\$803,162	5,125	\$157
1985	\$276,200	\$401,209	3,583	\$112	\$8,499,400	\$12,346,247	21,191	\$583	\$408,900	\$593,969	4,855	\$122
1986	\$262,100	\$373,779	3,621	\$103	\$10,804,300	\$15,407,957	21,012	\$733	\$485,500	\$692,369	4,770	\$145
1987	\$281,800	\$387,723	3,616	\$107	\$9,802,400	\$13,486,929	21,112	\$639	\$431,000	\$593,004	4,834	\$123
1988	\$267,300	\$353,161	3,686	\$96	\$11,594,500	\$15,318,853	20,877	\$734	\$445,300	\$588,338	4,642	\$127
1989	\$293,300	\$369,700	3,760	\$98	\$11,804,700	\$14,879,634	20,786	\$716	\$460,300	\$580,201	4,634	\$125
1990	\$312,700	\$373,948	3,775	\$99	\$13,806,200	\$16,510,398	21,121	\$782	\$482,800	\$577,365	4,580	\$126
1991	\$312,500	\$358,618	3,773	\$95	\$13,979,700	\$16,042,783	21,656	\$741	\$530,000	\$608,216	4,646	\$131
1992	\$348,300	\$388,021	3,777	\$103	\$14,238,800	\$15,862,612	22,133	\$717	\$558,800	\$622,526	4,759	\$131
1993	\$370,000	\$400,215	3,874	\$103	\$16,817,100	\$18,190,400	22,550	\$807	\$676,400	\$731,635	4,787	\$153
1994	\$383,600	\$403,206	3,967	\$102	\$16,586,500	\$17,434,230	22,575	\$772	\$609,200	\$604,336	4,775	\$134
1995	\$371,900	\$381,918	4,077	\$94	\$21,300,600	\$21,874,401	22,680	\$964	\$582,600	\$598,294	4,904	\$122
1996	\$491,100	\$491,100	4,132	\$119	\$24,191,800	\$24,191,800	22,790	\$1,062	\$594,100	\$594,100	5,042	\$118

Total Revenue: 1978-1996

	Fayetteville-Manlius				Syracuse				West Genesee			
Year	Total Aid	Real Total Aid	# of Students	Real Total Aid per Student	Total Aid	Real Total Aid	# of Students	Real Total Aid per Student	Total Aid	Real Total Aid	# of Students	Real Total Aid per Student
1978	\$12,430,237	\$22,803,357	4,695	\$4,857	\$64,178,256	\$117,735,463	24,036	\$4,898	\$16,001,012	\$29,353,969	7,590	\$3,867
1979	\$12,955,926	\$27,892,717	4,339	\$6,428	\$69,785,015	\$150,239,640	22,778	\$6,596	\$16,733,513	\$36,025,456	7,080	\$5,088
1980	\$13,139,098	\$24,922,828	4,126	\$6,040	\$75,212,692	\$142,666,793	22,287	\$6,401	\$17,202,449	\$32,630,374	6,684	\$4,882
1981	\$13,970,000	\$24,021,023	3,955	\$6,074	\$81,608,700	\$140,323,870	21,668	\$6,476	\$17,736,900	\$30,498,102	6,185	\$4,931
1982	\$14,836,300	\$24,030,194	3,837	\$6,263	\$82,194,300	\$133,129,213	21,100	\$6,309	\$18,625,900	\$30,168,168	5,785	\$5,215
1983	\$15,553,100	\$24,407,124	3,694	\$6,607	\$94,964,700	\$149,025,930	20,901	\$7,130	\$19,637,400	\$30,816,522	5,277	\$5,840
1984	\$15,991,700	\$24,056,811	3,609	\$6,666	\$97,850,200	\$147,199,098	20,881	\$7,049	\$20,576,700	\$30,954,169	5,125	\$6,040
1985	\$17,009,800	\$24,708,473	3,583	\$6,896	\$106,466,700	\$154,653,766	21,191	\$7,298	\$20,889,600	\$30,344,280	4,855	\$6,250
1986	\$17,959,500	\$25,609,099	3,621	\$7,072	\$116,379,600	\$165,968,353	21,012	\$7,899	\$23,301,800	\$33,230,578	4,770	\$6,967
1987	\$19,280,000	\$26,526,972	3,616	\$7,336	\$135,622,600	\$186,600,461	21,112	\$8,839	\$26,250,900	\$36,118,096	4,834	\$7,472
1988	\$21,283,600	\$28,120,259	3,686	\$7,629	\$146,630,700	\$193,731,009	20,877	\$9,280	\$27,160,600	\$35,885,053	4,642	\$7,731
1989	\$20,350,900	\$29,055,288	3,760	\$7,727	\$158,865,000	\$200,246,770	20,786	\$9,634	\$29,027,600	\$36,588,822	4,634	\$7,896
1990	\$24,112,700	\$28,835,616	3,775	\$7,639	\$166,251,200	\$198,814,557	21,121	\$9,413	\$29,236,500	\$34,963,007	4,580	\$7,634
1991	\$28,054,100	\$32,194,243	3,773	\$8,533	\$177,058,400	\$203,188,164	21,656	\$9,383	\$31,370,100	\$35,999,608	4,646	\$7,749
1992	\$27,285,200	\$30,396,841	3,777	\$8,048	\$190,349,900	\$212,057,658	22,133	\$9,581	\$32,297,000	\$35,980,193	4,759	\$7,560
1993	\$28,517,800	\$30,846,589	3,874	\$7,962	\$202,027,600	\$218,525,356	22,550	\$9,691	\$33,249,400	\$35,964,576	4,787	\$7,513
1994	\$30,836,600	\$32,412,647	3,967	\$8,171	\$196,429,000	\$206,468,411	22,575	\$9,146	\$34,511,700	\$36,275,580	4,775	\$7,597
1995	\$33,392,100	\$34,291,624	4,077	\$8,411	\$219,279,700	\$225,186,709	22,680	\$9,929	\$37,159,700	\$38,160,717	4,904	\$7,782
1996	\$35,477,400	\$35,477,400	4,132	\$8,586	\$217,126,400	\$217,126,400	22,790	\$9,527	\$38,483,500	\$38,483,500	5,042	\$7,633

Total Expenditures: 1978-1996

	Fayetteville-Manlius				Syracuse				West Genesee			
Year	Total Expenditures	Real Total Expenditures	# of Students	Real Total Expenditures per Student	Total Expenditures	Real Total Expenditures	# of Students	Real Total Expenditures per Student	Total Expenditures	Real Total Expenditures	# of Students	Real Total Expenditures per Student
1978	\$12,025,293	\$22,060,485	4,695	\$4,699	\$67,713,413	\$124,220,733	24,036	\$5,168	\$16,027,474	\$29,402,514	7,590	\$3,874
1979	\$12,927,763	\$27,832,085	4,339	\$6,414	\$86,934,488	\$187,160,613	22,778	\$8,217	\$16,771,006	\$36,106,174	7,080	\$5,100
1980	\$13,424,208	\$25,463,637	4,126	\$6,172	\$84,048,674	\$159,427,278	22,287	\$7,153	\$17,191,669	\$32,609,926	6,684	\$4,879
1981	\$14,215,300	\$24,442,810	3,955	\$6,180	\$80,754,000	\$138,854,238	21,668	\$6,408	\$18,123,400	\$31,162,676	6,185	\$5,038
1982	\$14,675,800	\$23,770,234	3,837	\$6,195	\$96,696,000	\$156,617,459	21,100	\$7,423	\$18,846,700	\$30,525,795	5,785	\$5,277
1983	\$15,445,000	\$24,237,485	3,694	\$6,561	\$92,378,700	\$144,967,779	20,901	\$6,936	\$19,426,600	\$30,485,719	5,277	\$5,777
1984	\$16,569,700	\$24,926,315	3,609	\$6,907	\$100,522,000	\$151,218,370	20,881	\$7,242	\$20,190,100	\$30,372,595	5,125	\$5,926
1985	\$17,004,300	\$24,700,484	3,583	\$6,894	\$109,035,100	\$158,384,629	21,191	\$7,474	\$21,752,900	\$31,598,311	4,855	\$6,508
1986	\$17,869,700	\$25,483,888	3,621	\$7,038	\$124,807,600	\$177,987,481	21,012	\$8,471	\$28,288,600	\$40,342,228	4,770	\$8,457
1987	\$19,418,600	\$26,717,669	3,616	\$7,389	\$143,625,500	\$197,611,493	21,112	\$9,360	\$31,629,300	\$43,518,130	4,834	\$9,003
1988	\$21,370,600	\$28,235,205	3,686	\$7,660	\$150,140,200	\$198,367,821	20,877	\$9,502	\$27,548,900	\$36,398,082	4,642	\$7,841
1989	\$23,273,400	\$29,335,745	3,760	\$7,802	\$164,438,900	\$207,272,581	20,786	\$9,972	\$30,412,100	\$38,333,962	4,634	\$8,272
1990	\$26,393,300	\$31,562,913	3,775	\$8,361	\$177,137,500	\$211,833,139	21,121	\$10,030	\$29,337,300	\$35,083,550	4,580	\$7,660
1991	\$29,123,600	\$33,421,576	3,773	\$8,858	\$187,368,700	\$215,020,028	21,656	\$9,929	\$32,423,400	\$37,208,351	4,646	\$8,009
1992	\$27,390,800	\$30,514,484	3,777	\$8,079	\$194,123,300	\$216,261,381	22,133	\$9,771	\$33,083,300	\$36,856,164	4,759	\$7,745
1993	\$28,515,300	\$30,843,885	3,874	\$7,962	\$201,934,200	\$218,424,328	22,550	\$9,686	\$34,284,400	\$37,084,095	4,787	\$7,747
1994	\$36,835,400	\$38,718,043	3,967	\$9,760	\$220,757,400	\$232,040,226	22,575	\$10,279	\$40,873,600	\$42,962,634	4,775	\$8,997
1995	\$34,840,100	\$35,778,631	4,077	\$8,776	\$236,785,800	\$243,164,393	22,680	\$10,722	\$40,729,700	\$41,826,886	4,904	\$8,529
1996	\$37,474,200	\$37,474,200	4,132	\$9,069	\$235,658,600	\$235,658,600	22,790	\$10,340	\$36,947,100	\$36,947,100	5,042	\$7,328

**Appendix II:
Explaining Differences Between the School Tax Rate (% of Full Value of Property)
and the School Tax Levy (\$ per \$1,000 of Property Assessed at Less than Full Value)**

Example One: How the tax rate can remain the same, while the tax levy can increase:

- a) property values increase 5 % per year, but city does not reassess to full value
- b) school expenses financed from local property tax increase 5 % per year
- c) city fully funds increased school expenses

Year	Tax Base		School Revenues from Property Tax <i>Assuming 5 % increase per year in both</i>	Tax, expressed as:	
	Not reassessed	Full value		% full value	Per \$1000 of property:
				a	b
1	\$ 300,000,000		\$ 3,000,000	1 %	\$ 10.00
2	\$ 300,000,000	\$ 315,000,000	\$ 3,150,000	1 %	\$ 10.50
3	\$ 300,000,000	\$ 330,750,000	\$ 3,307,500	1 %	\$ 11.03
4	\$ 300,000,000	\$ 347,287,500	\$ 3,472,875	1 %	\$ 11.58
5	\$ 300,000,000	\$ 364,651,875	\$ 3,646,519	1 %	\$ 12.16

Example Two: How the tax rate can decline while the tax levy is increasing:

- a) property values increase 5 % per year, but city does not reassess to full value
- b) school expenses financed from local property tax increase 5 % per year
- c) city funds increases of only \$100,000 per year in school expenses

Year	Tax Base		School Revenues from Property Tax <i>\$100,000 inc / year</i>	Tax, expressed as:	
	Not reassessed	Full value <i>5 % inc. / year</i>		% full value	Per \$1000 of property:
				a	b
1	\$ 300,000,000		\$ 3,000,000	1.0 %	\$ 10.00
2	\$ 300,000,000	\$ 315,000,000	\$ 3,100,000	.98 %	\$ 10.33
3	\$ 300,000,000	\$ 330,750,000	\$ 3,200,000	.97 %	\$ 10.67
4	\$ 300,000,000	\$ 347,287,500	\$ 3,300,000	.95 %	\$ 11.00
5	\$ 300,000,000	\$ 364,651,875	\$ 3,400,000	.93 %	\$ 11.33

a: derived by dividing school property tax revenues by the full (market) value of property. The rate represents the percent of property value that must be paid in taxes.

b: derived by dividing school property tax revenues by the number of units of \$1,000 of property values in the city, but using values not reassessed to market values. For example, in example one, year one, divide \$3,000,000 by \$300,000 (the number of units of \$1,000 of property). Each \$1,000 of property must generate \$10 to produce \$3,000,000.

Example of how an individual homeowners' tax levy per \$1,000 could increase while the tax rate (% of market value of property) could decrease

Year One

Home value	Assessed value	School tax required	tax per \$1,000	tax rate as % of market value
\$10,000	\$10,000	\$1,000	\$100	10 %

The next year inflation increases all home values and school costs by 20 %.

- The market value of the home increases by 20 % from \$10,000 to \$12,000
- The costs of the school district increase by 20 %, so \$200 (20 % of \$1,000) more is needed from the homeowner to cover the added costs.

City actions: assessment unchanged, but schools fully funded to cover increased costs

- The city chooses not to reassess property out of concern that it will appear that the city is going to raise taxes.
- While the city leaves the home value at \$10,000, the costs for schools have increased and the city needs \$200 more from the homeowner, or a total of \$1,200.
- To raise the money, the city requires \$1,200, but on an apparent value of \$10,000. This requires a tax levy of \$120 for every \$1,000 of value. This gives the appearance of an increased tax levy, but it is still 10 % of the market value of the home.

Year Two: no reassessment, full funding of schools

Home value	Assessed value	School tax required	tax per \$1,000	tax rate as % of market value
\$12,000	\$10,000	\$1,200	\$120	10 %

City actions: assessment unchanged, and schools only partially funded to cover increased costs

- The city chooses not to reassess property out of concern that it will appear that the city is going to raise taxes; \$1,200 would fully fund schools.
- City officials worry about the appearance of a 20 % tax increase (from \$100 to \$120 per \$1,000), so increased tax from homeowner is cut to \$100, for a total of \$1,100 in tax.
- As a result, the revenue for schools does not keep up with increased costs, and the tax rate, as a percent of market value, declines.

Year Two: no reassessment, partial funding of schools

Home value	Assessed value	School tax required	tax per \$1,000	tax rate as % of market value
\$12,000	\$10,000	\$1,100	\$110	9.2 %

Cumulative effect:

If this practice is maintained for several years, the local tax, as a percent of the market value of local property declines. Local support for the schools declines, as has happened in Syracuse