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STAR Rebate Check Report
Howard Weitzman, Nassau County Comptroller

I have written in the past regarding my concern that Nassau residents contribute a larger share of their incomes for education than residents of other metropolitan area counties because we receive less state aid than other counties. The recent distribution of STAR rebate checks has drawn attention to the STAR program. My staff's analysis of STAR, and the STAR rebate checks, shows that Nassau County continues to receive less than its fair share in education aid in this component of the State's school property tax relief program.

STAR aid and the STAR rebate checks are calculated using the same formula. A rational formula would work so that similar amounts of aid go to school districts that are the same. But the STAR aid and rebate check formula produces results that do not make sense; residents of similar school districts in different counties are treated very differently.

I asked my staff to compare the checks sent to residents of Nassau County school districts to the checks sent to residents of comparable Westchester County school districts. The two counties are both relatively wealthy and mature suburbs adjacent to New York City, and it seemed logical that homeowners in the two counties who pay similar amounts of school tax, or whose houses are of similar value, should receive STAR aid or STAR rebate checks that are equivalent. Unfortunately, I found that Nassau County homeowners were short changed by the STAR aid and rebate check formula under either measure.

Chart A compares ten school districts in Nassau and Westchester whose residents pay similar amounts in school taxes. Although they pay the same amount of school tax as a Westchester homeowner, Nassau homeowners received much lower STAR rebates. The disparity is frequently as much as \$200 and in one Nassau County community residents got a check 144% lower than the rebate paid to a comparable Westchester district: Manhasset residents received a \$153 rebate; North Salem residents received a \$373 rebate. The difference is even more extreme for the Enhanced STAR rebate check – sent to seniors whose income is under \$67,850. Manhasset seniors received a \$255 check; North Salem seniors received a \$624 check.

Chart B presents the data differently by comparing ten school districts in Nassau to those in Westchester with similar home values. Again, although it would seem logical that state taxpayers whose homes are of equivalent value should receive equivalent STAR rebate checks, this was not the case. Nassau County homeowners received substantially lower rebate checks than homeowners in Westchester. In one case the check for Nassau residents is 150% lower than the check to similar homeowners who live in Westchester: residents of Herricks are getting a \$222 check compared to residents of Briarcliff Manor who will receive a \$555 check. Low income seniors in Herricks will receive an Enhanced STAR rebate check of \$370 but low income seniors in Briarcliff Manor will get \$927. In every instance analyzed, the Westchester district received more than the Nassau district.

Chart C presents every Nassau and Westchester school district by STAR rebate check amount. A quick review of the chart demonstrates that almost every Westchester community will receive a higher STAR rebate than almost every Nassau community. Only three out of the thirty school districts with the highest STAR rebates, ranging from \$563.41 to \$330.61, are located in Nassau County. Conversely, only two of the thirty communities with the lowest STAR rebates, ranging from \$249.52 to \$139.34, is located in Westchester County.

Chart D presents every Nassau and Westchester school district by average STAR exemption amount. Once again, the top fifteen school districts are in Westchester, ranging from Hastings on Hudson, with a \$1,879 average STAR exemption to Croton-Harmon with a \$1,352 average STAR exemption. Of the bottom fifteen school districts, fourteen are in Nassau, ranging from Mineola, with an average STAR exemption of \$696 to Great Neck, with an average STAR exemption of \$490.

A comparison of Basic STAR savings for the 2006-2007 school year shows that Westchester residents overall received an average \$1,840 in basic STAR exemption and a \$386.75 rebate check while Nassau residents received an average \$1,020 in STAR exemption and a \$240.75 rebate check. Overall, Westchester residents received 80% more in STAR aid than Nassau residents. This is a regional issue; Suffolk taxpayers receive even less STAR assistance than Nassau County taxpayers do. The estimated average Basic STAR savings for Suffolk residents was only \$990 while the average Suffolk STAR rebate check was \$186.58.

With Nassau County residents unable to bear ever rising school property taxes, more must be done to rationalize state aid to schools so that residents of similar districts receive similar amounts of aid. As I have previously shown, the state aid formula is skewed against Nassau County. We receive a lower percentage of our school district budgets through state aid than Westchester (16.6% for Nassau as opposed to 19.3% for Westchester in 2002) and substantially lower than the state-wide average of 37.4%. Nassau County residents carry the burden of more of their school district's budgets than other communities, receive less state assistance as a percentage of school budgets, receive less STAR assistance than comparable Westchester County and now will receive a much lower STAR rebate check because of the unfairness of the STAR rebate formula. Our taxpayers need a school aid formula that is transparent and that meets the test of common sense. The present aid formulas fail this test.