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**FOR IMMEDIATE RELEASE**

**LONG ISLAND INDEX CASE STUDY: "A TALE OF TWO SUBURBS"**

**COMPARISON OF LONG ISLAND AND NORTHERN VIRGINIA'S GOVERNANCE, TAXES  
AND LOCAL SERVICES YIELDS SURPRISING RESULTS**

Garden City, New York (March 22, 2007) — According to the *Long Island Index* 84% of Long Islanders believe that high taxes are an "extremely" or "very serious" problem and a near majority (45%) cite it as *the* major local problem. With an eye to finding out how other regions address the issue of local taxes, the *Long Island Index* compared Long Island to several peer suburban regions and found one stood out in stark contrast to ours. Northern Virginia (including Fairfax County, Loudoun County, Fairfax City and the city of Falls Church) has significantly lower per capita property taxes than Long Island and a dramatically different governance model with 17 governmental entities delivering the full range of services on a county-wide basis compared to Long Island's 439 governmental entities delivering similar services.

According to Nancy R. Douzinas, President of the Rauch Foundation and Convener of the *Long Island Index*, "As we looked at these figures, several questions were begging for answers. Are there efficiencies to be gained from a centralized form of government and if so, where do you look for those savings? Does a more centralized structure of government provide high quality public services and are residents satisfied with what they receive?"

To answer these questions, the *Long Island Index* commissioned the Center for Governmental Research (CGR) in Rochester, New York to conduct a comparative analysis of the cost of local governments on Long Island and in Northern Virginia (NVA). Stony Brook University's Center for Survey Research was engaged to conduct a survey on jobs, taxes and governance on Long Island and in Northern Virginia. (Both studies plus an Executive Summary are available for download on the Long Island Index website, [www.longislandindex.org](http://www.longislandindex.org).)

Long Island is roughly the same size as NVA (1,199 square miles on Long Island compared to 924 in NVA) but has twice the population (2.75 million on Long Island compared to 1.28 million in NVA). While Long Island's Gross Metropolitan Product is almost twice the size of NVA (\$131 billion compared to \$77 billion), NVA is growing rapidly economically (GMP growth from 1996 – 2006 is 89% for NVA compared to 44% for Long Island) and in terms of population (growth from 1990 – 2005 was 35% for NVA and 5.5% for Long Island).

**Long Island has more governmental entities:** Although Long Island has twice the population of NVA, we have 26 times more governmental entities. One way to analyze fragmented decision making is to quantify the number of governmental entities involved in budgeting for a single type of service – the more involved in funding decisions in a region, the greater the complexity of the decision-making process. For example, Long Island has 110 governmental entities budgeting for highways and Departments of Public works while Northern Virginia has 9. On average Long Island has nine times more entities involved in budgeting for a single type of service than NVA.

**On a per capita basis, Long Island spends almost double:** In 2002, Long Island governments spent \$5,562 per capita, equated to \$1,722 or 44.8% more than the \$3,840 per capita spent by local governments in Northern Virginia.

**New York State expense requirements account for 28% of the per capita difference:** New York State requires local governments to shoulder a larger portion of the expense for public assistance programs and highways. The Commonwealth of Virginia puts a much smaller financial obligation on the county governments.

**Salaries comprise the single largest difference between the regions:** Long Island teachers, police and other civil servants are covered by the Taylor Law while Virginia is a “right-to-work” state where unions function more as an association and governments can and do set their own terms and conditions of employment. Although Long Island has 13% more government employees than NVA, we spend 82.5% more on salaries (\$2,545 per capita on Long Island compared to \$1,124 in NVA).

**NVA school districts are larger, spend less and maintain roughly equivalent staffing ratios to Long Island:** NVA has 3 school districts compared to Long Island’s 127. Comparing cost per student and size of the school district, the study found that the larger the school district, the lower the spending without compromising low student-teacher ratios. On Long Island alone, the 31 largest districts had a 21% lower cost structure, on average, than the 32 smallest districts.

**Several key school expenses higher on Long Island:** Although NVA is growing rapidly and building new schools every year (20 new schools opened in Loudoun County alone in the past 11 years) and Long Island’s population is barely growing, Long Island spent \$230 more per student than NVA on these types of capital expenses. Long Islanders spent \$262 more per student on General Administration expenses most likely due to the large number of school districts. Operations and Maintenance expenses are \$386 more per student on Long Island perhaps due at least in part to the inability to rationalize resource spending across a larger pool than an individual district. Long Islanders also spent \$366 more per student on transportation expenses perhaps because NVA school districts own and operate their own fleets compared to multiple separate agreements with bus companies that characterize more than half the school districts on Long Island. All of these items are avenues for further investigation to identify potential cost savings for Long Islanders.

**Long Island has significantly more fire equipment than NVA:** Long Island fire departments serve a region that is 1.3 times larger in square miles and 2.2 times the population of NVA. Yet, we have 6.6 times more fire stations, 7.7 times more engines, 8.2 times more ladder trucks and 3.0 times more ambulances. Evaluations of insurance industry ISO ratings for the two regions, fire response times, and number of fire/EMS calls were roughly equivalent and could not provide a rationale for the difference in number of vehicles and stations.

**Volunteer fire staff saves Long Island significant dollars:** NVA has not been able to rely on a volunteer fire force and approximately half their fire personnel are paid. As a result, their total costs on a per capita basis are higher than ours (\$164.94 for NVA compared to \$105.39). But, when you remove personnel costs and look only at equipment/capital costs and operating costs, Long Island spends twice as much as NVA on a per capita basis and 3.47 times more on a per square mile basis.

**Satisfaction levels for local services are higher among NVA residents than Long Islanders:** Significantly more residents in NVA rate local services (police, parks, roads, libraries, school) higher than Long Islanders. Residents of NVA are almost twice as likely (62%) as Long Islanders (33%) to feel that the value they received from property taxes in terms of the quality of local services was excellent or good.

**Satisfaction levels for schools are higher among NVA residents than Long Islanders:**

Whether measuring teachers, school administration or quality of education, NVA residents are significantly more satisfied than Long Islanders. 70% of NVA residents compared to 47% of Long Islanders feel that the value they received from property taxes in terms of the quality of education was excellent or good.

**\$372 per capita difference – Is this the cost of fragmentation?** Breaking down governmental spending in the two regions, subtracting those expenses that differ due to state requirements, removing the large salary difference, we are left with \$372 per capita that is most likely due to fundamental structural differences associated with the two governmental models. In the best case scenario, if all \$372 per capita savings could be driven from local property taxes, a family of four could see their total tax burden decrease by almost \$1,500 a year. At the regional level, Long Island governmental spending could decrease by \$1.024 billion.

Long Islanders overwhelmingly are asking for options that would allow property taxes to be lowered. The NVA region was selected because it stood out in stark contrast to Long Island with the lowest per capita property taxes and the lowest number of governmental municipalities. The goal of the study was to learn more about how costs are allocated in two governance models and to ascertain how residents feel about these services. This information can best be used by Long Island leaders as a stepping stone to further research and encourage more fact-based discussions about how Long Islanders can address our issues.

According to Dr. Ann Golob, Project Director, *Long Island Index*, “These studies have produced many thought-provoking ideas that can be used to spur further investigations by Long Island leaders to see how they might benefit both in the short and long-term. Leaders can use this study as a guide to potential cost-saving ideas that might change the status quo, but garner savings that could be passed along to Long Islanders in the form of reduced property taxes.”

**About the Report:** A TALE OF TWO SUBURBS is a three-part case study comparing Long Island and Northern Virginia. The three reports are:

- “A Case Study Comparing Governance, Taxes and Local Services on Long Island and in Northern Virginia: Executive Summary”
- “A Comparative Analysis of the Cost of Local Governments on Long Island and in Northern Virginia”
- “Survey Report on Jobs, Taxes and Governance on Long Island and in Northern Virginia”

All reports are available for download on the Long Island Index website,

[www.longislandindex.org](http://www.longislandindex.org). To obtain hard copies of the reports or provide feedback, please call 516-873-9808 or e-mail questions and comments to [info@longislandindex.org](mailto:info@longislandindex.org).

**About the Rauch Foundation:** The *Long Island Index* is funded by the Rauch Foundation, a family foundation headquartered in Garden City, New York. In addition to funding the *Long Island Index* for the last four years the Rauch Foundation commissioned “The Long Island Profile Report” and a series of five polls on Long Island to determine how the region is faring compared to other suburbs in the NY Metro area.

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