



JOHNNY MILANO

# BUDGETS GO TO BALLOT AS AID FLOWS IN

With an infusion of money expected, the debate is on how best to help LI schools, and taxpayers

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A recent billion-dollar-plus infusion of federal and state aid for Long Island schools is generating controversy as well as hope for expanded student services and taxpayer relief, as districts head toward annual budget votes Tuesday.

The extra money, approved in Washington, D.C., and Albany earlier this year, is meant to support a broad array of spending goals, ranging from increased summer tutoring to modernization of school ventilation systems as a guard against COVID-19 infection.

School budgets on ballots in Nassau and Suffolk counties encompass a combined total of nearly \$13.8 billion in proposed spending, up 2.9% from the current school year, according to a Newsday analysis. This is to cover general operations funded by local and state revenues, but not including projects receiving federal stimulus money, in 124 districts for 2021-22.

Additional details are provided in this Voters Guide.

With so much money at stake, questions are being raised by elected officeholders and business leaders, as well as individual taxpayers, over whether the unprecedented flow of aid will be used effectively. Much of the pushback revolves around two issues:

**Will some increased federal and state assistance be used to lower local property taxes?**

The subject of possible rate reductions came up several weeks ago at news conferences in Long Beach and Westbury. There, Democratic state lawmakers, who control both houses of the State Legislature, urged the region's school authorities to keep taxpayers' needs in mind.

"Finally, with these new investments in the state budget, we're shattering the idea that we need to raise property taxes year after year," said State Sen. Anna Kaplan (D-Great Neck), speaking in Westbury.



State Sen. Todd Kaminsky was one of several officials asking school districts to lower their tax levies.

improvements. Franklin Square is calling for a 1.4% tax increase.

Elsewhere across the Island, school representatives noted that next year's tax hikes will be relatively low, averaging 1.38%. Another point to keep in mind, they said, is that the additional federal money earmarked for schools is supposed to be spent on academic tutoring and other educational goals, not tax cuts.

As for state assistance, school official acknowledged that payments to the Island in the form of "foundation" aid, the state's biggest school funding program, will jump nearly 13%, with some impoverished districts gaining more than 20%, or even 30%. On the other hand, officials noted that 21 affluent systems would receive aid increases of just 2%.

Such contrasts help explain why some districts with big aid increases can comfortably cut taxes next year, while other districts raise rates, school representatives said.

"Not every district received what was described as a windfall," said Lorraine Deller, executive director of the Nassau-Suffolk School Boards Association, adding that the money was welcome, nonetheless. "Every district has a different story."

### Could districts spend down reserve funds before raising taxes?

Over a four-year period, the state Comptroller's Office flagged 29 school systems in the Nassau-Suffolk region for amassing cash reserves beyond regulated limits. In July, a Newsday analysis found that districts'

reserves Islandwide had grown to a record \$2.6 billion, equal nearly 20% of schools' projected annual spending.

Cash holdings have caught the attention of some business leaders, who questioned why taxes need to continue rising under these circumstances, especially when additional federal and state money also is pouring in.

On April 26, the Association for a Better Long Island Inc., a trade group representing real estate developers, sent an appeal to state authorities, asking that they require districts to spend down reserves, as well as new federal and state aid, before raising taxes. The association contended that higher taxes would aggravate economic damage done by the COVID-19 pandemic.

Kyle Strober, the association's executive director, noted that state legislation approved last year gives schools greater flexibility in applying reserves to

pandemic-related expenses. Some districts already are moving in this direction, but Strober wants the process accelerated.

"As devastating as it has been, the full economic impact of COVID-19 is yet to be fully appreciated," wrote Strober, whose group is headquartered in Hauppauge. "Accordingly, it is critical that New York State continue to protect our residents from both public health risks and considerable financial hardships in the months, maybe years, to come."

In response, district leaders said their stockpiled funds are generally reasonable in size, given the scope of school operations.

State law, they noted, limits to 4% of total budgets the amounts that districts can hold in reserves that are unrestricted — that is, not set aside for specific purposes such as classroom construction. In contrast, the Chicago-based Government Finance Officers Association, a research group, recommends that government agencies keep on hand unrestricted reserves equaling 16% to 17% of operating revenues.

Furthermore, school representatives said, depletion of cash balances could leave them without financial backup should the economy remain sour, and eventually force them to boost taxes higher.

"Reserves can only be spent once," said Joseph Dragone, a longtime school business official and representative to the Long Island Education Coalition, an advocacy group. "You can't operate your home by drawing down your savings account, and that's what reserves are."

### This project was compiled by reporters:

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## Q&A: Most voting Tuesday will be in-person at school polls

**Q: When is the budget vote?**

**A:** Tuesday. Polling times vary among districts; check your district's hours in the Voters Guide included in Sunday's Newsday.

**Q: Which school year will this budget cover?**

**A:** The 2021-22 fiscal school year, running from July 1 to June 30, 2022.

**Q: What changes have been made in the voting process?**

**A:** Most voting will be in-person at school polls, unlike last year, when everyone voted by absentee ballot due to high risks of COVID-19 infection. Last year for the first time, absentee ballots were mailed to voters automatically. This year, procedures are back to normal, with absentee ballots provided only upon request. Voters this year still may cite COVID-19 as a reason for securing an absentee ballot, along with reasons traditionally cited such as business or vacation travel.

**Q: Are masks required for in-person voting?**

**A:** Yes.

**Q: When will we know results?**

**A:** District officials typically expect to complete counts of balloting on budgets and board candidates the same day as voting. Last year's counts took two to three days, due to extra time required by absentee ballots.

**Q: Districts recently received millions of dollars in extra federal and state aid, much of it in the form of pandemic relief funding. Will this mean lower taxes?**

**A:** Most districts continue to propose higher taxes this year, though in many cases not as high as they envisioned a few months ago. A newly added provision in U.S. law bans states from using federal aid to reduce taxation, either directly or indirectly. More than a dozen states, not including New York, have filed lawsuits seeking to block that restriction.

As positive examples, legislators pointed to Long Beach's school district, which is calling for a tax freeze next year, as well as Westbury's, which proposes a tax cut of half-a-percent. Elsewhere across the region, another 18 systems are either freezing or reducing rates.

Still, that leaves more than 100 districts that propose to raise taxes at least slightly starting July 1 — a situation frustrating for many taxpayers. Resentments also have been stoked by Nassau's property-assessment system, which has produced fluctuations in rates paid by individual homeowners.

"All this money from the federal and state governments is wrong — schools don't know how to manage money," said Kevin Sabatino, a homeowner in Franklin Square.

Franklin Square officials, in defense of their budget, described the district's per-pupil spending as among the lowest in Nassau, adding that extra money next year will pay for modernized technology as well as other