



August 14, 2020

Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Honorable Andrea Stewart-Cousins
NYS Senate Majority Leader
188 State Street Room
Legislative Office Building
Albany, NY 12247

Honorable Carl E. Heastie
NYS Speaker of the Assembly
907 LOB 932
Albany, NY 12248

Re: COVID-19 School Taxpayer Protection Plan

Dear Governor Cuomo, Senate Majority Leader Stewart-Cousins & Speaker Heastie:

I am writing on behalf of the Association for a Better Long Island (“ABLI”), a leading regional economic development organization whose membership is collectively Long Island’s largest taxpayer, to respectfully request that New York State, through Executive Order and/or legislation, put forth the COVID-19 School Taxpayer Protection Plan to help reduce the impending pandemic tax burden facing Long Island’s businesses and almost three million residents.

As you are aware, COVID-19 has had a significant impact on Long Island’s economy, affecting both small and large businesses, and the individuals who depend on those entities for their livelihoods. ABLI applauds your successful efforts to flatten the infection curve and your strategic plan to reopen our region’s economy. As devastating as it has been, the full economic impact of COVID-19 is yet to be fully appreciated. Accordingly, it is critical that New York State continue to protect our residents from both public health risks and financial hardships in the months, maybe years, to come.

Against this harsh reality, a recent report by NYS Comptroller Thomas DiNapoli states that the total reserves accumulated by the over 120 Long Island school districts has ballooned to \$2.61 billion in 2020-21. The average district cash holdings equal nearly 20% of the schools’ projected spending. Long Island school districts have been amassing small fortunes on the backs of taxpayers in case of a “rainy day.” There is little doubt that the COVID-19 pandemic is Long Island’s rainiest day in history.

The COVID-19 School Taxpayer Protection Plan will ensure that school districts limit the tax burden placed on their residents as our region reopens and recovers. Specifically, the plan is a two-step effort:

- Step One: Sign into law NYS A.10492/S.8417
- Step Two: Require school districts to exhaust all reserve funds and finance options, now permitted in A.10492/S.8417, before breaking the 2% property tax cap

ABLI strongly supports and urges the Governor to sign NYS legislation A.10492/S.8417, which provides financial and budgetary flexibility to local governments to operate and provide critical services during the COVID-19 public health crisis. Specifically, the bill’s three components: extends the "rollover" period for bond anticipation notes issued in calendar years 2015 through 2021; authorizes local governments and school districts to spend or temporarily transfer

moneys in reserve funds for COVID-19 pandemic-related expenses; and permits the repayment of inter-fund advances made for COVID-19 pandemic-related expenses by the end of the next succeeding fiscal year or later, rather than the end of the current fiscal year. I am advised that the bill has been delivered to the Governor's office and awaits signature. School districts must be relieved of the various restrictions placed on the various categories of reserve funds, this legislation unlocks reserve funds to address budget shortfalls or additional costs as a result of the pandemic. The bill provides additional financial tools to local municipalities to help reduce the tax burden for businesses and homeowners.

Step Two is to mandate that school districts utilize the newly available financial and budgetary flexibility options provided in NYS A.10492/S.8417, including exhausting now unlocked reserve funds, before breaking the 2% property tax cap.

Currently, school district reserve funds are set aside for a "rainy day," without a New York State directive or legislation requiring districts to do so. Without your leadership, businesses and residents, many of whom face economic hardships from the pandemic, will continue to be at the mercy of school districts that remain aloof, indifferent, or unaware of their need to be full partners in our economic recovery through their use of reserve funds and financial tools to offset budgetary shortfall caused by the pandemic.

The Association for a Better Long Island respectfully requests that New York State, through Executive Order and/or legislation, put forth the COVID-19 School Taxpayer Protection Plan to help reduce the impending pandemic tax burden facing Long Island's businesses and almost three million residents.

Sincerely,



Kyle Strober, Executive Director
Association for a Better Long Island

cc: Hon. Thomas DiNapoli, NYS Comptroller
Hon. Liz Krueger, NYS Senator
Hon. Fred Thiele, NYS Assemblyman