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After record funding, business group seeks freeze on school tax increases

Citing record school funding from federal and state governments, the Association for a Better Long Island is seeking an immediate freeze on school tax increases for the coming year.

The ABLI wants Albany to amend current funding formulas so that school districts are rewarded for financial discipline.

In a letter to Governor Kathy Hochul and State Comptroller Thomas DiNapoli, the ABLI wrote that the federal government delivered \$8.9 billion in funding to New York State schools and Long Island will receive nearly \$324 million. Last year's state budget allocated \$417 million for Long Island schools and this year's proposed budget increases aid for public schools by \$2.1 billion or 7.1 percent to a total of \$31.2 billion for the 2022-23 fiscal year.

"New York State is prepared to send over \$4 billion dollars to Long Island schools during the 2022-23 academic year," says Kyle Strober, executive director of ABLI, a regional economic development organization whose membership is collectively Long Island's largest property taxpayer. "The idea that any district would then turn around and seek a property tax increase, or place those dollars in their reserve fund, is somewhere between incomprehensible and despicable."

Strober added that considering the record amount of funding from the state and federal government, combined with Long Island school reserve funds amounting to \$2.61 billion in 2020-21, "it would be unconscionable for our region's schools to raise taxes and thereby further adding to the pandemic burden placed on our residents."

A state Department of Education report revealed the total reserves accumulated by Long Island school districts ballooned to \$2.61 billion in 2020-21 and the average district cash holdings equal nearly 20 percent 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,'" Strober said. "They have repeatedly incurred the criticism of the state comptroller who, beyond his thorough audits, is not empowered to penalize those districts."

However, an official at the New York State School Boards Association pushed back on the call for a school tax increase freeze.

"All districts' needs and situations are different," said Brian Fessler, director of governmental relations for NYSSBA. "A type of blanket requirement ignores the reality of the uniqueness of school districts, but also the extraordinary challenges are facing because of the pandemic. There were some provisions in some of those federal stimulus packages that made clear, that either based on intent or actual requirements, that those funds were to be used to supplement, not supplant existing funding."

Fessler adds that the "windfall" referenced by the ABLI is one-time funding.

"So if you are to build a budget that looks at reoccurring costs on staffing and all that fun stuff off of one-time funding, all you're going to be doing is creating a significant cliff when that federal funding expires in a couple of years," he said.

As for districts' surplus funds, Fessler said ABLI is conflating fund balance with reserve funds.

"The fund balances are heavily restricted and they are meant not just for rainy days, but they are meant to deal with meaningful revenue shortfalls for cost increases during the year," Fessler said. "The school districts levy taxes and receive aid, but outside of that, if there are adjustments to the good or to the bad during the year, the fund balance is basically just the hopefully surplus funds that you want to be in the black not in the red to deal with some of those challenges throughout the year."

Claiming that accumulation of reserve funds far outstrips the needs of school districts, ABLI proposes new legislation or a revision of funding that incentivizes school districts that put forth no tax increase budgets.

"Providing additional funding to school districts who hold the line on taxes, and



AP photo by Nam Y. Huh

stay within the state's 4 percent reserve fund limit, will dramatically help reduce the current tax burden and help generate additional

economic activity on Long Island," Strober said.

- DAVID WINZELBERG



**Don't judge each day by
the harvest you reap but by
the seeds that you plant.**

Robert Louis Stevenson

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