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**WITH DEADLINE FOR ACTION PENDING, ABLI WARNS L.I.
TAXPAYERS OF FINANCIAL RISK WITHOUT COVID-19 SCHOOL
TAXPAYER PROTECTION PLAN**

***Group Calls For Two-Step Plan; Sign Bill To Provide Schools Financial Tools
to Address COVID-19 budgetary shortfalls, Then Mandate Schools To Exhaust
All Options Before Piercing Tax Cap***

***School Districts Must Utilize Their Multibillion Dollar “Rainy Day” funds to
Blunt Property Tax Hikes in the Midst of a Pandemic Recession***

(Hauppauge, New York) - As Long Island taxpayers continue to suffer from the financial devastation created by COVID-19, the Association for a Better Long Island (ABLI), in a letter to New York Governor Cuomo, State Senate Majority Leader Stewart-Cousins, and Assembly Speaker Heastie, is calling for New York State to approve the COVID-19 School Taxpayer Protection Plan, a two-step plan that arms schools with the financial tools to address budgetary shortfalls, then requires schools to use them.

In their letter, the ABLI urges Governor Cuomo to sign legislation NYS A.10492/S.8417, that passed both the NYS Assembly & Senate and now awaits his signature before an 11:59 PM Monday, August 24th deadline. This bill is a key component to NYS Comptroller Thomas DiNapoli’s legislative program and sponsored by Assembly member Fred Thiele that seeks to address the financial burden many Long Island school districts place on LI taxpayers.

The second step mandates 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.

“Rainy Day Billions”

Kyle Strober, Executive Director of ABLI reminds state lawmakers, “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.”

Citing a recent report, Long Island school districts have accumulated \$2.61 billion in reserves for the 2020-2021 school year, a number that, on average, represents nearly 20% of the schools’ projected spending.

A two-pronged approach to address the pandemic’s economic crisis

ABLI warns that without immediate action by Albany, the financial situation for many Long Islanders will worsen. Even as New York State flattens the infection curve and continues to make progress reopening its economy, the enormous economic ripple effects of the pandemic will be felt for years to come.

“COVID-19 has upended life as we know it with every household and business facing an uncertain financial future,” ABLI states in its letter. To shoulder the impending tax burden, the group advises Governor Cuomo 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.

The bill’s three components include: extending 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.

Strober stresses, “School districts must be relieved of the various restrictions placed on the various categories of reserve funds. This legislation unlocks those reserve funds to address budget shortfalls or additional costs as a result of the pandemic.”

An economic wound could become septic

With 48 hours remaining in the ten-day clock, signing legislation NYS A.10492/S.8417 is the first, crucial step in alleviating some of the economic pain. Strober continues, “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.”

“We aren’t out of the COVID-19 woods yet and continued strong action by our elected officials is critical to extinguish this clear economic threat. There are billions of dollars in reserve that must be unlocked now to protect the Long Island taxpayer before a painful economic wound become septic,” he concluded.

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