



NASSAU-SUFFOLK SCHOOL BOARDS ASSOCIATION, INC.

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May 4, 2009

TO: Senator Suzi Oppenheimer, Chair, Senate Education Committee

**cc: Governor David A. Paterson
Senate Majority Leader Malcolm A. Smith
Speaker of the Assembly Sheldon Silver
Assemblywoman Catherine Nolan, Chair, Assembly Education Committee
Long Island NYS Senate and Assembly Delegations
Senator Andrea Stewart-Cousins**

**From: Jim Kaden, President
Fran Greenspan, Legislation Chair**

Re: MTA School Payroll Tax - No Place in School Budgets

In March, we applauded you as the recipient of a New York State School Boards Association's *State Leader of the Year* in recognition of your years of advocacy for public school children.

Your initial opposition to the use of school funds for the MTA bailout was greatly appreciated. However, your support of Governor Paterson's latest proposal leaves us concerned and disappointed.

Surely you recognize Governor Paterson's MTA bailout approach for what it is...an open-ended line of credit using suburban school property taxpayers' money as collateral.

Let there be no doubt, the Governor's proposal does NOT exempt school districts from the MTA payroll tax. In essence, he expects school districts to accept a permanent obligation to fund the MTA in exchange for a promise of reimbursement that is ephemeral at best. He has not shared how repayment of the "loan" would be secured in perpetuity, as every year in state budgeting is discrete. A long history of unfulfilled state aid commitments leaves us justifiably skeptical of any "reimbursement" aids, which become pawns in Albany's annual budget negotiation process.

With less than two months left in this fiscal year, a payroll tax retroactive to January 2009 would seize \$12.2 million from school budgets that were approved by Long Island voters in May 2008. This would be in addition to the estimated \$24.4 million that would have to be appropriated from the 2009-10 budgets that will go to our voters on May 19th.

This plan would require schools to increase salary lines in 2008-09 and 2009-10 expenditure budgets, but delay any reimbursement until 2010-11, if at all. This "reimbursement" would no doubt be reported to the public as an increase in state aid, allowing the state to profess that its "bullet aid" is easing the burden of increased school spending! Sorry, we've been caught in this shell game too many times in the past.

THERE IS NO PLACE IN GOOD GOVERNMENT FOR A RAID ON SCHOOL FUNDS TO BAIL OUT A TRANSIT SYSTEM!

WE IMPLORER YOU TO SAY NO TO ADDING SUBURBAN SCHOOLS TO THE LIST OF HIDDEN SOURCES OF REVENUE FOR THE MTA!