



NASSAU-SUFFOLK SCHOOL BOARDS ASSOCIATION, INC.

OFFICE: 219 Bedford Avenue, Bellmore, NY 11710-0385
MAILING ADDRESS: P.O. BOX 385, Bellmore, NY 11710-0385
JIM KADEN, PRESIDENT

Tel (516) 781-2053 Fax (516) 679-0401
e-mail: info@nssba.org
LORRAINE DELLER, EXECUTIVE DIRECTOR

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MTA BAILOUT PLAN: RAID LONG ISLAND SCHOOL BUDGETS

Long Island schools will be forced to cut \$24.4 million in educational services from next year's already lean budgets if Senate Majority Leader Malcolm Smith's latest plan for the MTA bailout succeeds.

"Nowhere but in the increasingly bizarre world of New York State government would school budgets be raided to fund a transit system," Jim Kaden, president of the Nassau-Suffolk School Boards Association (N-SSBA) said. The association represents 112 school boards on Long Island.

School boards have already adopted their 2009-10 school budgets that will go to voters on May 19th. New York State law dictates that school budgets be adopted 30 days prior to the uniform voting date. Should the payroll tax be imposed, Long Island school districts would have no choice but to cut into children's programs.

"Perhaps the state's New York City-centric leadership is unaware of the school budget process outside the city, where citizens don't vote on school budgets," Mr. Kaden said.

This year's budget cycle has been particularly challenging for school boards according to Mr. Kaden. Long Island was once again short-changed, receiving on 5% of the new state aid, despite educating 17% of the state's public school students.

"While the Governor travels the state touting the restoration of his proposed state aid cuts with federal stimulus money, he fails to acknowledge his plan to drain critical school resources to fund the MTA," Mr. Kaden said.

"Our property taxpayers are hurting. The Governor calls for property tax cap, yet targets school property taxes to fund the MTA. How can he justify shifting the responsibility for funding the transit system from the MTA and New York State onto the backs of Long Island property taxpayers and their school children?"

A major portion of the MTA payroll tax bailout would come from Long Island school districts which would be forced to fork over a .34% tax on their payrolls, totaling \$24.4 million.

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MTA BAILOUT – add one

“Particularly disconcerting is that New York’s first payroll tax would establish Long Island schools as a new revenue stream for the state to access whenever the MTA or any quasi-governmental authority needs a bailout,” Mr. Kaden said.

The payroll tax would add to the MTA’s other financial resources that include a .375% regional State sales tax, a petroleum tax, a long-distance telephone and communications tax, a mortgage recording tax, a real estate transfer tax and the surplus tolls from bridges and tunnels.