

NY audit: Plainedge overestimated costs

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The Plainedge school district recently emerged as the 28th on Long Island to be rapped by state auditors for amassing millions of dollars in cash reserves beyond legal limits.

A new audit from the state Comptroller's Office found that Plainedge officials overestimated expenses, including costs of employee benefits and special education, by more than \$15 million over three consecutive years.

The audit review covered a period running from 2013-14 through 2015-16, and its finding touched off an often-testy exchange with local school officials who defended their financial stewardship.

In effect, Plainedge's repeated miscalculations allowed the district to pile up unrestricted re-

serves far beyond those allowed by state law in two of the three years covered, auditors said.

Those cached funds totaled \$7.7 million, or 8.7 percent of Plainedge's budget in 2013-14, and \$7.2 million, or 7.9 percent of the budget, two years later.

Under law, unrestricted reserves, known as "rainy day funds," are restricted to 4 percent of a district's budget.

The 16-page audit report, prepared under the direction of Ira McCracken, chief examiner for the comptroller's regional office in Hauppauge, warned that Plainedge's school board and administration needed to take greater care in meeting their responsibilities to local taxpayers.

"Budgeting practices that continually overestimate expenditures may result in the accumulation and retention of excessive funds, resulting in tax levies that are higher than nec-

essary," stated the report, posted Jan. 12.

Local officials, while complimenting auditors on their professionalism, took sharp exception to the suggestion they mishandled district's finances.

Plainedge's board president, Catherine Flanagan, and its superintendent, Edward Salina, said in a 20-page response letter that their budgeting focused on maintaining the district's long-range fiscal stability, as well as the quality of its academic programs. Any impression to the contrary was a "gross mischaracterization," they added.

"Our district is committed to the long-term practice of solid and sound fiscal responsibility in the management of the district's finances and accountability to our community," the letter stated.

Flanagan and Salina also



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Plainedge, the 28th LI district criticized for amassing reserve funds

noted that the district's \$91.5 million budget for the 2017-18 school year carried a zero increase in taxes. The district's budgeted tax hike of 1.39 percent for 2016-17 was also below the Long Island average, but the 1.95 percent increase in 2015-16 was higher than average.

Most districts, in addition to their unrestricted reserves, also maintain accounts earmarked for specific purposes. Staffers from the comptroller's office

reported that Plainedge maintained five such reserves, four of which were overfunded.

The largest of these was a \$7.7 million fund, set aside for contributions to workers' pension costs.

Auditors found that Plainedge spent an average \$1.2 million annually on such costs — meaning that the reserve balance was more than six times the average annual cost.

Uber drivers protest proposed Suffolk ride-sharing ban

BY RICK BRAND
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More than 80 Uber drivers protested Monday a proposed six-month Suffolk ban on ride-sharing operators as a way for the county to leverage a local share of \$24 million in revenue from the 4 percent state surcharge on ride-sharing.

After 90 minutes of often-emotional testimony, the public works committee voted 4-2 to send the measure to the full 18-member legislature but lawmakers did not take a formal position on the merits of a moratorium. Sponsor Legis. Bridget Fleming (D-Noyac) also promised not to seek a vote on the moratorium at the full legislature's next meeting March 6.

More than two dozen drivers spoke against Fleming's bill, saying the service is highly popular with the public and the jobs help them feed their families, avoid foreclosure and provide safe transit to those who have been drinking and elderly who need help.

"I have not one point on my license, a clean background and I am a safe driver," said Bobby Smith of Bay Shore. "Without ride sharing, people on Long Is-



BARRY SLOAN

Suffolk Uber drivers attend legislature's meeting in Hauppauge Monday. Video: newsday.com/suffolk

land are going to lose their jobs and people are going to drive drunk."

Fleming, who first proposed the bill last year, reintroduced it in January in an effort to press for a share of the surcharge that goes to the state from ride-sharing fees.

Suffolk this year had to ax nine bus routes for lack of

county funding.

The only leverage the county has to try and get a portion of the surcharge is to formally opt out of permitting ride sharing for six months, thereby depriving the state of the revenue from Suffolk riders altogether.

"I'm trying to restart the conversation," said Fleming, who said she plans to go to Albany to

lobby next week amid talks for the state budget due April 1. State Sen. John Brooks (D-Massapequa) has already proposed a bill to share the revenues.

Josh Gold, Uber's director of state policy, said he was disappointed by the committee's action but encouraged they are willing to "continue the conversation."

He also warned: "Banning Uber is the wrong way to pressure Albany," vowing a direct mail, phone and digital campaign to ensure the public knows lawmakers' action "would make Suffolk County the only place in the country with an Uber ban."

Uber currently has more than 7,000 Suffolk drivers and carries 60,000 passengers regularly, according to company officials. Uber officials added under Brooks' bill Suffolk's share might be as little as \$1.5 million.

The Long Island Limousine Association backed the measure calling for a "level playing field" with limos and taxis on security issues such as background checks of drivers.

Ryan McGarry, a lobbyist for the Suffolk's Association of Municipal Employees, favored the effort to get more state money.

While Fleming sought approval for her proposal, Legis. Tom Cilmi moved to table it and Legis. Susan Berland (D-Dix Hills) said she could not back any ban. That led to the compromise to send the measure to the full legislature without recommendation.