

budget plan

BUDGET HIGHLIGHTS

Some key elements of Gov. Andrew M. Cuomo's proposed budget for the 2018-19 fiscal year:

Overall spending
\$168.1 billion, up about 2.3% from current fiscal year

School spending
Up \$769 million or 3% — but that is scaled back from a \$1.2 billion increase lawmakers promised a year ago.

Aid to municipalities

Aid frozen and nearly \$1 billion raised in taxes, fees and other revenue "enhancements," ranging from imposing big surcharges on certain health insurers to collecting more taxes on cigars.

Payroll taxes

A proposal, yet to be fleshed out, to shift from imposing income taxes on employees to imposing payroll taxes on employers as a way to skirt a new federal limitation on income-tax deductibility.

Opioid sales tax

A new tax on opioid prescription sales to raise revenue for treatment programs.

Marijuana use

A study about the potential impacts of legalizing recreational marijuana.

MORE INSIDE Gov's other proposals A4-5

EDITORIAL

Cuomo ready for federal fight **A24**

LI educators weigh in on funding details

BY JOHN HILDEBRAND
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ALBANY — School officials on Long Island are poised to review the nuts and bolts of Gov. Andrew M. Cuomo's funding plan, especially detailed numbers in computerized "school runs" released Tuesday night.

Lars Clemensen, superintendent of Hampton Bays schools and president of the Suffolk County School Superintendents Association, said he had looked over the state's figures as best he could, but was unable to do a full analysis of districts in his county and would continue his review on Wednesday.

The district breakdowns are a key indicator for superintendents to gauge how well their districts did in the annual scrum for state money.

Public schools statewide would get an extra \$769 million in financial aid in 2018-19 under Cuomo's proposed budget — a 3 percent increase.

Clemensen, in an interview after 8 p.m., said he saw apparent discrepancies in some local figures — such as a two-tenths of 1 percent increase in foundation aid for his district, in contrast to 2 percent increases for some systems nearby. Foundation aid is the core of state school support.

"A 3 percent overall increase from the governor's budget means so many different things for so many districts," the schools chief said. "I think tomorrow school superintendents throughout Suffolk County are really going to sharpen their pencils and take a closer look at this."

School aid statewide would rise to more than \$26.3 billion under the governor's budget, with additional funding for public prekindergarten classes, school breakfasts and other services. The biggest increase would be \$338 million for foundation aid.

"Seven hundred and sixty-

nine million — that's a lot of money," said Senate Majority Leader John Flanagan (R-East Northport).

Flanagan said many other state-aided programs that received smaller percentage allotments — for example, transportation — "would all graciously welcome 3 percent."

Some other state leaders were lukewarm to the plan.

Betty Rosa, chancellor of the state Board of Regents, and MaryEllen Elia, the state's education commissioner, issued a joint statement, commending the governor's support for programs such as prekindergarten, but adding that the \$769 million increase was less than half that recently proposed by the 17-member Regents board.

Charles Dedrick, executive director of the New York State Council of School Superintendents, agreed that the \$769 million proposed hike was too small.

He acknowledged, however, that recent federal actions have created financial uncertainties for the state. Those moves have included restrictions on deductions for state and local taxes that could cost New York State homeowners considerable money.

"The state's fiscal outlook is volatile and uncertain, and we respect the difficulties Governor Cuomo and the legislators will face in constructing state budgets for next year and beyond," Dedrick said.

Comptroller Thomas DiNapoli reported in November that state tax receipts were lower than projected, threatening some of the biggest deficits in nearly a decade.

Michael Borges, executive director of the New York State Association of School Business Officials, described more recent revenue increases as "dramatic." He cautioned that the state's full financial picture would not be clear until the end of the fiscal year on March 30.

SCHOOL CAP 2%

State's limit is highest in 5 years, a big increase over current 1.26%

BY JOHN HILDEBRAND
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ALBANY — New York State's baseline cap on growth in local school taxes for 2018-19 will be 2 percent, the state comptroller's office said Tuesday — the highest in five years and up substantially from this year's 1.26 percent.

On Long Island, school tax levies account for about two-thirds of property owners' total bill. School districts use the baseline to calculate tax caps on individual systems, which vary depending upon exceptions allowed under the law such as voter-approved borrowing for school construction and renovation.

This year, recent changes in federal income-tax law governing deductions of state and local taxes have added a formidable quirk to the financial picture, both for school districts and taxpayers. Gov. Andrew M. Cuomo, in his broader budget message Tuesday, outlined a complex plan for restructuring the state's own tax system to ease the impact of the federal changes.

Joseph Dragone, assistant su-

perintendent for business in the Roslyn school district, said Long Island homeowners generally are very aware of the new provision that limits deductions of state and local taxes against federal income taxes to \$10,000 a year.

"Any property tax increase this year will be a much harder sell than in the past, given the federal tax law's treatment of property tax deductions," Dragone said. "And of course, we've been trying to keep taxes down for years, but the pressure to do so is going to be even more intense."

For many Long Islanders, that new \$10,000 limit will not cover their property taxes. Before the end of the year, scores of homeowners stood in line at town tax receivers' offices to ask questions and try to pay their 2018 taxes early — even though it wasn't clear if the new law will allow them to deduct 2018 payments from their 2017 federal tax.

The state's tax-cap law, first in effect in the 2012-13 school year, limits tax-levy increases

See TAX on A5

CAPS BY YEAR

The statewide allowable tax-levy increase for school districts is calculated by the state comptroller's office as a baseline cap figure. Under state law, the baseline is 2 percent or tied to the inflation rate, whichever is lower. Each school district has its own tax-cap limit based on the statewide figure, but adjusted for exemptions allowed under the law. Here are statewide caps since New York's law took effect:

2012-13	2%
2013-14	2%
2014-15	1.46%
2015-16	1.62%
2016-17	0.12%
2017-18	1.26%
2018-19	2%

Pot study possible

Some lawmakers back Cuomo's idea to explore legalization's impact in NY

BY STEFANIE DAZIO
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ALBANY — Some members of Long Island's state delegation supported Gov. Andrew M. Cuomo's proposal to study legalizing marijuana in the state, but they stopped short of saying they would endorse legalization.

Cuomo, during his budget address Tuesday, floated the idea of funding a Department

of Health-led study to look at the economic, health and criminal justice impacts of legalizing recreational marijuana. He said the study should also look at the effects of legalization in Massachusetts — and possibly New Jersey — on New York, as well as any future federal intervention.

"This is an important topic, it is a hotly debated topic — pardon the pun — and it'd be nice to have some facts in the mid-

dle of the debate once in a while," Cuomo said.

Cuomo did not address during his speech details on the potential study, including how much it would cost or how long it would take. No actual funding for the study was included in his 2018-2019 budget proposal, though the budget bill dedicates "so much funds as shall be determined necessary" by the state health commissioner.

The state legalized medical marijuana in 2014.

Sen. Elaine Phillips (R-Flower Hill) said her office has conducted a survey in her dis-

trict and her constituents don't appear to support recreational marijuana use. However, she said she was open to further research.

"I think we need to do a study," she said. "I think it's a smart way of going about it."

Assemb. Christine Pellegrino (D-West Islip) said she was "encouraged" by Cuomo's plan.

"I think it is time to look at what the economic impact of legalization could mean for the budget and we could have a real debate on what legalization could mean," she said. "Let's really have a full conversation with real information."

Assemb. Brian Curran (R-Lynbrook) said that while he supported medical marijuana use, he still opposes recre-

ational use, "regardless of any type of revenue" it could bring to the state.

"The bottom line is, in my opinion, it's still a gateway drug that has resulted in significant problems" in states that have legalized it, he said.

Sen. John Brooks (D-Seaforth) said he has always supported medical marijuana and agreed with Cuomo's idea to study recreational legalization. "I don't have a problem with our looking at it," he said.

Assemb. Dean Murray (R-East Patchogue) said while he doesn't support recreational use — he does support medicinal marijuana — "it's not a bad idea to do the study."

With Yancey Roy
and Michael Gormley

Baseline school tax cap is 2%

TAX from A3

to 2 percent or the inflation rate, whichever is lower.

The law was designed to rein in local property taxes, which rank among the nation's highest. In addition to school districts, the law applies to counties, municipalities and other local governments. Comptroller Thomas DiNapoli's office calculates a separate baseline for school districts.

Lars Clemensen, superintendent of Hampton Bays schools and president of the Suffolk County School Superintendents Association, pointed out that schools chiefs across the state have been pushing for a flat annual cap of 2 percent.

"Stability is what districts are craving," he said. "So if the state were to move to a stable annual 2 percent, then there's reliability and we plan within that."

David Flatley, superintendent of Carle Place schools and president of the Nassau County Council of School Superintendents, said that caps, even at their upper limit of 2 percent, limit what districts can raise on their own and make districts much more dependent on state aid.

Districts across the Island were awaiting the release of the



Homeowners in communities such as Baldwin face school tax hikes.

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full breakdown outlining state assistance under Gov. Andrew M. Cuomo's proposed budget. The computerized document, called the "school runs," was issued Tuesday night.

Flatley said his district was "eagerly awaiting" the detailed school aid figures.

Andrea Vecchio, founder of East Islip TaxPac, a local taxpayer advocacy group, noted that her group helped lobby for caps for many years. Since the tax-cap law took effect, she said,

many districts have increasingly sought voters' authorization of bond issues — spending that is exempt from the cap.

"Two percent is fine," Vecchio said of the baseline cap. "What's more concerning are these bond issues that are coming up every year, that are making a joke out of the tax cap."

In the East Islip district, the school board was scheduled to act Wednesday on a resolution putting a bond issue up for community vote May 15, along with its proposed 2018-19 budget.

The money would be used for \$59.9 million in capital improvements districtwide — many for security and bringing facilities into compliance with the Americans with Disabilities Act — to be funded by the bond issue and a previously established capital reserve fund.

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