

March 13, 2016 6:18PM

Print Page

Pauline Liu: Tax cap dilemma adds to school districts' headaches

A negative tax cap. Who would have thought it possible? There are about 80 school districts across the state with negative tax caps, according to the State Association of School Business Officials.

At least six of them are right here in the mid-Hudson: Florida, Minisink Valley, Tuxedo, Marlboro, New Paltz and Sullivan West.

Lawmakers apparently didn't see it coming. When the law was rolled out it in June 2011, they dubbed it the 2 percent property tax cap.

If it only it were.

They say they're going to try to fix the problem. It's one of many school issues that they hope to fix by passing new legislation this budget season.

Tim Kremer of the State School Boards Association is calling the tax cap dilemma a "flaw in the law."

Based on the rate of inflation, property taxes can increase by just 0.12 percent or almost zero for the coming year.

Districts with negative tax caps are in for even lower tax levies for the coming year than they have now.

Sullivan West has the region's most dramatic tax cap change of -2.8 percent.

The district may have to reduce next year's budget by \$480,790 in order to remain under the cap.

According to Sullivan West Superintendent Nancy Hackett, the district is considering making cuts that won't impact staffing or programs.

Her district is one of many asking Albany for help.

That help could come in the form of legislation to an end the devastating Gap Elimination Adjustment. It's another problem that lawmakers have vowed to remedy.

The GEA has been cutting funding to school districts since 2010.

Sullivan West would get back \$700,000 in restored funding. That would enable the district to clear its tax cap hurdle, said Hackett.

Senate Republicans have passed a one-house bill to scrap the GEA right away.

But bills have no impact unless they're approved by both houses and become law.

Assembly Democrats crowed about their one-house education budget bill last week.

It contained \$1.1 billion in Foundation Aid earmarked for high-needs school districts, including Kingston, Newburgh, Port Jervis and Poughkeepsie, which have been shortchanged on state aid since the 2009-2010 school year.

The districts are among the plaintiffs in the so-called Small City Schools lawsuit (Maisto v. State of New York), which is now in the hands of a judge.

It's interesting that the Assembly is trying to provide a remedy, even before the judge delivers her decision.

The tax cap, GEA and cuts to Foundation Aid are about legislation that has gone wrong over time.

It is heartening to see Albany try to provide schools with relief, but one-house bills won't cut it.