

Homeowner's Tax Reform Commission

Of the

Suffolk County Legislature

A public hearing of the Homeowners Tax Reform Commission was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on January 11, 2007.

Members Present:

William J. Lindsay - Chairman/Presiding Officer SC Legislature
Lynne C. Nowick - Co-Chair/Legislator - District #13
Celine Gazes - Member/NYS Government Officers Association
Dr. Pearl Kamer - Member/Long Island Association
Lisa Tyson - Member/Long Island Progressive Coalition
Dr. Robert Lipp - Member/Legislative Budget Review Office
Joseph Sawicki - Member/Suffolk County Comptroller
Ester Bivona - Member/President/Suffolk County Tax Receivers
Michael Bernard - Member/Suffolk County Assessors/Town of Babylon
Patrick Byrne - Member/County Executive Representative
Gary Bixhorn - Member/New York State Council of School Superintendents
Thomas Kohlman - Member/President/Suffolk County National Bank
Melvyn Farkas - Member/Long Island Board of Realtors
Lorraine Deller - Member/Exec. Director/Nassau Suffolk School Board Association

Also in Attendance:

Terrence Pearsall - Chief of Staff/Presiding Officer Lindsay's Office
Kara Hahn - Press Secretary to Presiding Officer Lindsay
Assemblywoman Ginny Fields
Assemblywoman Sandy Galef
Assemblyman Michael Fitzpatrick
Assemblyman Philip Boyle
Carol Dohnery - Senator Flanagan's Office
Gerard Stoddard - Long Island Association
Cesar Malaga - Hispanic American Association
Lois St. George
Barbara Ormandy
Walter Poggi - MacArthur Business Alliance
John A. Conroy
Gramm Kerby
Fred Gorman
Charlie Richardson - Educational Engineering
Robert Newman
Stan Feldman
All Other Interested Parties

Minutes Taken By:

Lucia Braaten - Court Stenographer

[THE MEETING WAS CALLED TO ORDER AT 10:15 A.M.]

P.O. LINDSAY:

Okay. We're going to officially open the meeting of the Suffolk County Homeowners Tax Reform Commission. And like with any of our meetings here, I invite everybody to stand for a Pledge to our flag.

SALUTATION

Thank you. You may be seated. First of all, I'd like to welcome everybody here this morning. This morning is the conclusion of a process that really started well over a year ago, and it will be the last meeting of the Suffolk County Homeowners Tax Reform Commission. And I'm going to go over the format this morning.

First, I would like to the commission members, starting on my right to introduce themselves, as well as the organization and how they were appointed to the commission. Before I start that process, I want to publicly thank every one of the commission members for the time that they've devoted to this process over the last eight months. They've spent a tremendous amount of time on this process, both publicly in the auditorium hearing public comments, debating the different issues before us, as well as untold hours of behind the scenes of adding their particular expertise to this very difficult problem that we have in this region. Having said that, I'll start with Celine. Would you introduce yourself, please. Christina.

MS. CAPOBIANCO:

Christina Capobianco, Chief Deputy County Comptroller, representing the Suffolk County Comptroller's Office.

MR. FARKAS:

Hi. Mel Farkas. I'm representative for the Long Island Board of Realtors. And, you know, this is a big problem and it's important to our business and I'm glad to have served on the commission.

MS. GAZES:

Celine Gazes, Council Chair for the Long Island Region of the New York State GFOA, which is Government Finance Officers Association.

MS. KAMER:

I'm Pearl Kamer. I'm Chief Economist of the Long Island Association, Long Island's largest business organization, and I am representing the LIA. And I'm happy to have served on this commission.

MS. TYSON:

My name is Lisa Tyson. I'm the Director of the Long Island Progressive Coalition. We are a multi-issue grass root citizen run organization dedicated towards social, economic and racial justice. I probably come to the commission because I'm known as the income tax lady by many people, hated and loved; either way. And so we definitely support income taxes over property taxes for certain types of government spending.

MR. LIPP:

Robert Lipp, Budget Review Office of the Suffolk County Legislature.

MR. SAWICKI:

Joseph Sawicki, Suffolk County Comptroller.

P.O. LINDSAY:

William Lindsay, Presiding Officer, Suffolk County Legislature.

LEG. NOWICK:

Lynne Nowick, Suffolk County Legislator, Thirteenth District.

MS. BIVONA:

Esther Bivona --

P.O. LINDSAY:

You're not on, Esther.

MS. BIVONA:

Sorry. Good morning. I'm Esther Bivona, the Tax Receiver in the Town of Huntington, and representing the Suffolk County Receivers of Taxes Association.

MR. BERNARD:

Good morning. I'm Michael Bernard. I'm the Assessor for the Town of Babylon and the President of the Suffolk County Assessors Association.

MR. BYRNE:

Good morning. My name is Patrick Byrne. I'm the designee of County Executive Levy. I am a small business owner of a financial services company and a member of various organizations such as LIFER, which is Long Islanders for Educational Reform, and the Nesconset/Sachem Civic Association.

MS. DELLER:

I'm Lorraine Deller. I'm the alternate -- I'm from Nassau/Suffolk School Boards Association, Executive Director. I serve as alternate on the commission for our Vice President, Jim Kaden.

MR. BIXHORN:

Gary Bixhorn, representing the Suffolk County School Superintendents Association.

MR. KOHLMAN:

Good morning. Tom Kohlman, President of Suffolk County National Bank, was appointed by the Suffolk County Legislature.

P.O. LINDSAY:

Thank you very much. I -- there is a number of State officials and their representatives in the room this morning. I'm very grateful for their appearance here this morning, because ultimately they're the decision makers in this process. And I'm happy that you're here and I hope that we can have a little bit of a dialogue about -- about what we're proposing and some of the potential solutions, whether we identify them or you identify them.

I particularly want to recognize Assemblywoman Ginny Fields, a former colleague of mine here. And Ginny and I have been talking about this subject for quite some time and Ginny has attended a couple of our hearings over the past year. She was -- she has arranged for Assemblywoman Sandy Galef, who is sitting with Ginny in the front of the room here. Assemblywoman Galef is the Chair of the Real Property Tax Committee in the State Assembly and is a very important decision maker in this whole process.

Additionally, we have Assemblyman Michael Fitzpatrick of the Seventh Assembly District here. Assemblyman Phil Boyle of the Eighth Assembly District here. We have Carol Dohnery, Senator Flanagan's office here. We have a number of County Legislators, the Deputy Presiding Officer, Vivian Viloria-Fisher, Legislator Ricardo Montano, Legislator Eddington and Legislator Horsley.

The format for this morning is going to be kind of brief, because we want to hear comments from different people in the audience. I -- we're going to outline -- I'm going to outline the overall recommendations of the commission and then we are going to allow our State representatives to ask any questions or add any input that they have into this process. When they're concluded, we're going to ask the media if they have any questions, and then we're going to have a public portion

that the public has been asked to sign cards coming in, and we'll be happy to hear comments from the public as well. This is kind of a hybrid of a press conference, a roundtable and a public portion. It's something that -- I don't know if this has ever been done here before but we'll find out how it works.

And what I'm going to do is go to the executive summary, if you've got a book coming in it's on page one, and really start there with a couple of additional comments.

This morning marks the conclusion of a process that actually myself and Legislator Nowick started well over a year ago with discussions about the biggest problems we have in Suffolk County. And the homeowner tax burden in our County isn't a matter of I think, I know is probably the number one problem in everybody's mind. Off on your left is a pie chart that was developed from the Long Island Index, which is a report that was issued that was done by the Rausch Foundation. And it shows that 81% of our citizens think that property tax -- taxes is a serious or very serious problem.

The solutions that we're about to talk about, if they are not the ultimate remedy to this horrible problem, then we're all ears about bringing forward any other solutions. And we urge our State officials to implement change of other solutions. We're dying a slow death from property taxes in Suffolk County. The average tax bill in Suffolk County is five times the national average. It's everybody's problem. It isn't just the poor or the middle class. It's also the wealthy as well, because if our region cannot sustain a workforce, our economy is going to die and that's going to hurt everybody.

We have the dubious distinction of leading the state in the number of young people that leave our communities -- leave our County every year for other places, other counties in our state and other states in our union. Without an adequate workforce to meet the needs of our offices and factories we can't exist. Long Island is a very unique place, although it's -- has a population in Suffolk County of approaching 1.5 million people. And Nassau and Suffolk together is approaching 3 million people. It very much has a small time -- a small town atmosphere.

We depend on some 10,000 volunteers to provide our emergency services in Suffolk County. Every one of our volunteer fire and ambulance departments is having a hard time recruiting new people, young people, to man those volunteer corps. If we were to lose that volunteer base the problem of taxes would just escalate, because we'd have to go to a paid service. I'm not a mathematician, but I'm sure Bob Lipp, who's to my right, two seats over, could come up with a number pretty quickly of what it would cost us to provide that service if we didn't have our volunteers.

Our seniors. Our seniors are affected dramatically by property taxes. A lot of our young people can't even afford to get into a house. Many of our seniors are house rich and cash poor, and they can't afford the expenses in their community. They can't afford to stay in the communities that they built and that they raised their family in. Our senior population is an economic engine within our County.

Different parts of this country are known for different things. If you're out in the far west in Colorado and places like that, it's known as the skiing resorts of the world. If you're down south, it might be golf. Suffolk County -- we shop. Our retail industry is a very important piece of our economy and the world we live in. And if we lose our senior population it will have a dramatic affect on our economy. Socially it has a dramatic affect on our -- if people -- if families are split up, if our senior population is forced to move to other parts of the country, it causes a social dishevel within the family structure.

If we don't do something, and do something rapidly, the problem is going to just escalate. By 2012, if we don't do something about our tax bills, the existing real estate property tax that we face now, will escalate between 30 and 40% at the same rate of inflation continues. So it's imperative that we do something and we do something quickly.

To the recommendations. We feel that the recommendations are very practical recommendations, that many of the recommendations or all of the recommendations could be implemented rapidly. Are they the only solutions? The answer is absolutely not. There's, you know, this problem has many different solutions and many different ways of people -- will come up with different solutions. We're not totally advocating that this is the only way to go, but what we're appealing for is to do something. To not adopt the status quo.

Our executive summary is very unusual in that it starts out with a non-recommendation, and I'm talking about the income tax. Over the last eight months we've been meeting here, we've had three public hearings. We had 150 people attend our public portion, a vast majority of them addressed this commission, and the -- probably the most popular idea is to change the taxing system from a property tax base to an income tax base. And, personally, I favor that, because I think it's a more equitable way of taxing people. It's taxing people on their ability to pay rather than on their value. However, it created -- it creates all kinds of problems. Some of the problems this commission worked on diligently to come up with solutions to. For example, the second home. A lot of our east end communities derive a great deal of their tax base from second homeowners. What would happen if we switched to an income tax there?

The reporting of proper income of people working off the books or under the table or whatever you want to call it, would they escape totally without paying anything towards our educational system? The problem of our wealthy in both our counties, Nassau and Suffolk County, if we were to just implement either regional tax for Nassau and Suffolk County or just a Suffolk County income tax, if we were given the ability to do that, would the very wealthy vote with their feet and leave our counties? And they wouldn't have to go too far away to avoid paying the income tax.

These are some of the problems that we had talked about and we addressed and I think we found solutions to in one way or the other. The problem that we couldn't overcome is how to adapt a taxing system that's based on a County or bi-County basis that feeds revenue into -- you got to help me, 124 school districts across Nassau and Suffolk County? Which are each separate decision makers as far as their budgets, their staffing, their costs. We didn't -- we couldn't come up with a solution to that problem.

And what we basically say in the report is that an income tax is best administered on a statewide basis rather than on a regional basis or a local basis. And it's something that I for one would encourage the State to look at further in terms of trying to adapt this multi -- this system of one tax to feed into so many different entities. Because the whole time that we talked about the income tax it was on one point, and that was to replace the real estate tax. At no time did we ever consider an income tax as a supplement to the real estate tax. That was totally unacceptable and was not on the table at any time.

Getting that out of the way, the recommendations that we are making, this commission feels that the current state aid formula is broken. We think that it is been in place for so many years that it has been politicized at times, that it has been changed at times, and we're recommending that it be replaced. Currently funding for our school districts in Suffolk County comes 65% from the local real estate tax and 33% from the State.

I know the perception at times is that Suffolk County is the home of the rich, and that is not true. Do we have wealthy areas of Suffolk County? We absolutely do. The vast majority of the 1.4 million people that live in Suffolk County are struggling everyday to make a living. The break down of 65/33 is out of proportion with the rest of the state. If you looked at the break down, and it eludes to it in the report, in the rest of the State, excluding New York City, it's 55/45. 55% coming from the local real estate tax, 45% coming from the State. And, truthfully, we don't feel that we're getting our fair share here. If you put in the numbers of what the County sends in wealth to the State in terms of income tax, there's a disproportionate flow of money to Albany as far as -- and in return we're not getting back anywhere near the amount of money that we send up there.

We're advocating for a new State formula for State aid that's based on regional cost differences, student needs based upon demographics and outcomes, and a minimum share for all school districts. We have certain school districts in Suffolk County that get no State aid at all.

The next recommendation is one that's based on both an Assembly bill and Senate bill that passed last year, but Governor Pataki didn't sign it into law, and it's a simple recommendation, but could make a vast difference to spikes in your real estate tax bill. And that's to allow our school districts to carry a larger fund balance, from 2% to 4%. And why is that important? If there is a sudden increase in expenses by our school districts, because they carry such a low reserve, they have no well to go to. And they have to pass it on directly to the taxpayers through real estate -- their real estate tax bill. Over the last few years, it is not unusual for some of our school districts to ask for a 20 -- I think East Islip was a 38% real estate tax increase over the last few years. Double-digit increases are not unheard of on -- in Suffolk County.

The next recommendation is one that is something that I'm sure will be recommended by our sister commission and we're probably kind of stealing their thunder a little bit. There is -- was two commissions that were created last year in the Suffolk County Legislature, both having to do with homeowner tax relief. One was to analyze the revenue side of how we divide -- how we derive our revenue for our education system. And the other one was to look at the expenses of our education system to see if there's some ways of reducing the expenses in our educational system.

The second commission has not completed their report yet and it should be done in March. But I'm sure that this is -- this next recommendation is one that will fall into both categories, and it's simply is to prevent the imposition of unfunded mandates. And we're asking the State to codify into law the principle that if an activity is important enough for the State to mandate, it must be important enough for the State to fund.

The next recommendation again is based on an Assembly bill that was introduced in the Assembly at the last -- last year and did not have either a Senate sponsor or didn't get any further than the Assembly. And that's to enhance the Circuit Breaker Program within the income tax structure, providing relief to lower income homeowners. Specifically this would help seniors more than anybody else. The Circuit Breaker Program is based on income. You have to have a home. And it would provide some -- it would provide tax relief. Our seniors are the ones that are house rich and cash poor. Our young people can't afford the house, so it would primarily apply to our seniors.

The next recommendation, again, is based on an Assembly bill, and it's to create a commercial assessment ratio to establish more equitable and realistic market values for commercial properties. The new law would correct an inequity in how the current commercial assessment ratio is computed. By doing this, the number of successful commercial tax certiorari suits would be dramatically reduced. This alone could mean a savings of up to \$500 in the average residential property tax bill in Suffolk County. Michael Bernard, who is our resident expert on tax assessment -- on property tax assessment, will be happy to go into that further and -- when we open up the floor, if anybody has any specific questions on that. There is no doubt about it, that this particular bill would shift some of the burden from the homeowner to real estate entities. But it's a matter of equity that it's been the other way for way too long where the homeowner is really paying the bill for these tax certiorari cases.

The last recommendation is probably the one that is maybe more innovative and it isn't based on any kind of existing or prior State bill that was put into the hopper. And the commission recommends the establishment of a local income based Suffolk STAR Program to provide tax relief to targeted overburdened taxpayers. We think that this is a practical recommendation that can be implemented if the will is there. The most popular tax relief program that's been initiated in this State over the last 20 years is the STAR Program. You talk to any senior, any senior group, and they'll tell you don't touch STAR. And what we're advocating is to enhance STAR and to make it similar to a Circuit Breaker Program in that it would be income based, it wouldn't be age based. So it would apply to any homeowner who's income is at a level that would qualify for a subsidy to either

stay in their home or buy a new home.

And for our young people, it's a two pronged equation to get into that first home. Certainly the cost of the home, but the second thing is the amount of money it costs to carry the home. The average, the average tax, real estate tax in Suffolk County now would support a \$95,000 mortgage. So if the real estate tax could be reduced, it would allow many more of our young people to get into that first -- that first home.

The -- any time you add a new program like this local STAR initiative, you have to fund it. Where does the funding come from? And we spent a great deal of time looking at ways of funding such a program. And the problem -- the problem is that the tax burden is so -- so great across the board on our residents in our state, and particularly in this region, there is not any room to increase it.

Well, in the back of the booklet, under this section, there's a discussion of the different revenue sources that we looked at, and many of them we rejected. For example, sales tax. Our sales tax is probably too high already. If we were to increase it any more, especially on a Countywide basis, we would devastate our retail industry and devastate the County revenue. The towns, you know, use a real estate transfer tax to fund a lot of their programs and that taxing entity doesn't leave much room. What we came up with was really kind of new.

First one is a sin tax on cigarettes. We have -- there has been a movement afoot throughout the whole down state area that includes Rockland County, Westchester County, New York City, Nassau and Suffolk County, to ask the State for permission to implement an additional tax on cigarettes for the whole down state area. And if we were to get that permission, I want the income derived from that to be dedicated to homeowner tax relief. The amount of money, if you look in the report, could amount gross to \$65.2 million.

Under the current legislation that New York City has a -- an additional city tax, 46% of that goes back to the State. If the State gave us permission to do this on a regional basis and let us keep all \$65 million for homeowner tax relief, it would go penny for penny back -- back to the homeowners. If the current formula is kept in place, it would add \$35.2 million into the pot. That in itself would not provide the type of program we're talking about.

We're also recommending that Suffolk County OTB be allowed to put video lottery terminals in one location in Suffolk County. Why we think that is fair is most other regions in the State of New York, including Nassau County and Queens, have racetracks. The State Legislature has passed legislation allowing video lottery terminals in certain racetracks around the State. We don't have a racetrack and we're asking that we be allowed to install these devices at one location in Suffolk County.

I know there's a lot of people that are not fans of gambling and have objected to it on moral grounds, but the reality of it is that we have gambling all around us. Our citizens every day leave New York State to go to Connecticut, to Jersey, and just within the last six months, the State of Pennsylvania has approved the video lottery terminals throughout that state. We're like the last bastion and we're losing a tremendous amount of income. If we were allowed to put in one of these video lottery terminal parlors, we could dedicate \$73.9 million to homeowner tax relief.

The third part of the equation is we're proposing a luxury tax on large houses. It's a Robin Hood approach. There is no doubt about it. It would be on sales of taxes over a million dollars, a 1% luxury tax. And we're estimating that would generate \$36.2 million. Again, that would be dedicated to school property tax relief.

This entire pool would accumulate somewhere around \$150 million on a recurring revenue every year, that we're proposing be distributed in total for home owners tax relief on an annual basis. The distribution, we are proposing that it be on income based, like I said before, with incomes relatively high or high compared to the Circuit Breaker Program today. You know, we're looking 50, \$60,000, and it would be application generated. And we think it could be a workable program.

That's really the conclusion of our recommendations. Suddenly tax reform is really a hot topic and we welcome that it is a hot topic. Governor Spitzer last week in his inauguration address called for a \$6 billion tax cut on property taxes. He called for the consolidation of 4,200 taxing jurisdictions. Just this week, Senator LaValle had a press conference announcing a three-step program for homeowner tax relief, tripling the tax rebate, creating a Blue Ribbon Commission to look at other avenues, and creating initiative and referendum within the school districts throughout the State.

The Suffolk County Legislature, as I mentioned before, did commission two groups last year to come up with recommendations both on revenue and expenses. Both County Executive Levy and Suozzi have implemented panels of experts to look at the problem of property taxes on our citizens and how the educational system is -- accounts for most of that.

Which are the right mix of reforms? I don't know. But I do -- but to do nothing is unacceptable and it cannot be a one-shot solution. The reform has to be of a permanent nature. And I'm going to conclude my remarks here just with a quote from our new governor last week, and he said the future of New York does not belong to the army of the status quo. The future belongs to those who seek change. And in this area, we dramatically need change and we need it quickly.

Before I open it up to any of our State officials that would like to comment, I want to recognize the Minority Leader of the Suffolk County Legislature, Legislator Dan Losquadro's joined us. Thank you for being with us, Dan.

LEG. LOSQUADRO:

Thank you, Bill.

P.O. LINDSAY:

Okay. And my Co-Chairwoman, Legislator Nowick, would like to comment.

LEG. NOWICK:

Good morning everybody. And I want to thank our State representatives for taking the time to be here today. We feel this is very important. Just quickly, because I know that Legislator Lindsay has gone over all of our findings, just to mention that this was brought about actually a few years ago. I know Legislator Lindsay has been very concerned, as I have, and I think together -- I think that I was the person that Legislator Lindsay came to because I was the former tax receiver in Smithtown. And we have gone over this -- we had gone over this for years and finally we came up with legislation to form this commission.

What I wanted to say, first of all, to thank all of you for being here, and I know that you took all of -- you took a lot of time, this has been going on since -- I think it's nine months, maybe since March or April. So you took a lot of time. We were here hours at public hearings, meetings and you did it for the good of the County, and I thank you all as Legislator Lindsay has also thanked you.

I just wanted to mention one thing. In this report, you will find a lot of our recommendations. We understand that maybe we can't lower school taxes, maybe we can't lower them, maybe we can, but what we're hoping to do is stop the increases. As I have said, we have all said, maybe, just maybe, if we could get tax bills that aren't higher, that would even make us happy. It's out of control. We hope that we have, and I believe we have the ears of our State representatives -- and this is the beginning. We're going to ask for comments from the public, from our representatives, and hopefully we'll work together and I thank you again for all being here.

P.O. LINDSAY:

Okay. Would Assemblywoman Galef or Fields like to comment or say anything? And we just appreciate you being here and listening to us. We're not asking -- we realize it's a lot to digest in one fell swoop and I know you have to go back and crunch the numbers and see where some of the bills that are quoted here are, but we appreciate you being here and listening to us.

ASSEMBLYWOMAN FIELDS:

Thank you Bill. I'm going to speak first. I am former Suffolk County Legislator Ginny Fields. And I thank you, Bill, as my former colleague and a good friend and someone who covers the same district as I do for holding this, and for putting together this great body of people. And I thank you for all of the work that you've all done. And Lynne Nowick, it's a pleasure to be here, and thank you for what you've been doing.

In the New York State Assembly, one of the committees that I serve on is Real Property Taxation. And I've been there now for three years. And last year, the new Real Property Taxation Committee received a new committee chair, and that is this wonderful woman who's sitting to my right, Sandy Galef, Assemblywoman Sandy Galef. She has been known as and always impresses me as a reformer. She's willing to fight and fight hard, and she's a very, very bright woman and very, very capable. She's willing to think outside the box and resolve issues and work together.

One of the things that I have seen in my seven years, I think, of being an elected official is that far too often there's not enough bipartisan agreement, not only with particular levels of government, but within all levels of government, starting from towns and villages all the way up to the federal government. I think this meeting today shows that counties can work with states and we hope to continue even making that go further so that we can all work together. And what you may think you can do, you oftentimes need help from us or we need help from you and we try to do those things together. And I think if we had more meetings and more discussions on how we could work together I think that would serve our constituents very, very well.

Taxes are the number one issue that I have heard most from my constituents, as most of us in the elected -- as elected officials have heard. And it's not only seniors who are being affected, it's also our young people. My son and his wife moved to Virginia last year. They bought a four bedroom beautiful home on two acres for \$200,000. He makes the same amount of money that he made here working in Suffolk County, and now he's -- he and his wife are flourishing.

But beyond young people and seniors, the middle class is being squeezed and businesses are leaving because New York State's not business friendly. They can't make it -- we have not made it easy for them to survive. And what drives the economy is our businesses and it drives the wealth and the health of a state. We in the Assembly and in the Senate have responded to some of the issues, and we continue to work hard on many of the others.

You mentioned, Bill, about volunteer firemen. Last year, the State Assembly and Senate enacted exemptions to assist communities and districts to not only attract but to retain members of fire districts and ambulance members. We also implemented the sales and compensating use exemption for clothing and footwear to give help to our constituents.

And in addition, you talked about the Circuit Breaker Law. I also have sponsored a Circuit Breaker Law that has, in fact, I think given more assistance to low income and seniors, and I do have a Senate sponsor, Senator Volker, and I will leave this with you so that you can take a look at it. But it's probably one of the better of all of the Circuit Breakers -- Circuit Breakers Laws that -- or legislation that we've had, and I hope to get that passed this year to give further assistance.

Also, we have a new governor, and that has been a refreshing change to us in the Assembly. And according to discussions that we in the Assembly have had with him and from his State of the State Message, he actually said my upcoming budget will include a new transparent school funding formula that dramatically increases investment over the past -- over the next four years throughout the State, targeting the investment where we need it most. In exchange for this new funding, school districts must invest in programs that have been proven to work. His budget will be submitted on January 31st. And certainly the details -- we don't know the details, but we certainly do look forward to seeing what he proposes and how we can work with him to give some kind of relief.

We had -- I had some information here that nationally the average state provides 50% of local school aid. New York lags the national average by only providing 40% of local district's aid. Long Island receives merely 30% of their local school district's budget from the State. This is unacceptable. The school aid formula must be updated to provide Long Islanders with a greater share of the taxes they pay.

If that were not sufficiently inequitable, Long Island also educates 26% of the State's children while receiving 19.2% of the State's local school aid. The main reason that this problem exists is that the school aid formula has not changed to reflect current student enrollment, demographic shifts, school district wealth or regional cost differences. We need to call for a fair plan that educates all of New York students equally and treats all school districts equitably.

Additionally we must demand that our residents do not shoulder an unfair proportion of the taxes that are currently diverted elsewhere. The average Long Island property owner pays 5.1% of their gross income toward property taxes compared to 2.3% for households across New York State. But states are changing their tax strategies. In 2004 alone, nine states with no income tax gained an additional 323,579 domestic residents from the 41 states with an income tax. The residents moving to states with no income tax took with them an additional \$10.6 billion of adjusted gross income according to IRS data.

And further, the states facing the largest fiscal problems from large unfunded liabilities in health care and pensions already have the largest out migration of residents. Tax increases will only further that out migration. We -- and so that kind of adds to what you were saying about income tax and where you shift the burden.

We look forward to continuing to work with you, looking at your recommendations, seeing what we can do on a State level, and perhaps even continuing this type of session to see what other -- what other legislation we can implement to take some of that burden off of our residents. I would like to formally introduce my colleague, Assemblywoman Sandy Galef.

ASSEMBLYWOMAN GALEF:

Hi, everybody. It's really great to be here. I just want you to know I'm Sandy Galef, Assemblywoman from Northern Westchester and Putnam County along the Hudson River. I live in a County that is very high taxed. I represent counties that are very high taxed, so we have this discussion frequently. I actually had a round table discussion in the end of September with groups and it was a round table discussion. So I like the way the Chairman started out saying, what is this? This is a hybrid. So it's kind of interesting. We're really trying to pull together from the Real Property Committee views around the State of New York. And I've brought a whole bunch of different pieces of legislation that were introduced pretty much last year, because not everything has new bills on it, you know, for your review and consideration.

I'm also planning to have hearings as a committee Chair. I think it's Tuesday, February 6th in Albany on some of the pieces of legislation that deal with real property. And not everything that you have in your portfolio of recommendations come under my committee. But I'd love to have a representative come up and, you know, continue your dialogue on what you're trying to do.

If I can just kind of go over a few things. The State aid formula, there will be a change this year just because the Campaign for Fiscal Equity Lawsuit. And that's going to help or hurt, you know, different districts within your community because there are going to be more monies. The court has said we need to do this to the districts that have more kids that are getting free lunch or subsidized lunch. So I have maybe two school districts in my nine that are going to get some additional aid. And I don't know what's going to happen with everybody else, but there is going to be money driven to specific school districts because of the courts. So you have to kind of understand that. And hopefully it will be done with regional rate components in this more transparent formula that Governor Spitzer's going to have.

If you -- I mean, I'm just looking at your increasing the fund balance. Again, you know, we passed it in both houses so what you have to do is convince the new governor that this is a good thing. And beyond the 2%, what came out at another hearing I had with superintendents of schools, that we really needed to have a larger surplus for the certiories. Because many of the certior claims come, you know, nine years later, whatever. So that they're at least within, and we're going to introduce legislation to allow this to happen, that you could put aside some monies knowing that there's still cases that are in the running. Because if you get a case all at one time, which actually happened in Rockland County with the Mirant Power Plant, they had an increase I think in their school taxes of, I don't know, 60%. It was horrendous and the company went bankrupt. So, you know, this give some protection with the certiories, which I think is important.

Unfunded mandates. You know, I don't know what this governor's going to do, but he's certainly talked about Wicks Reform. And as you all know, both in government and in schools, our construction is the most costly part of what we do. And I hope you will get on the bandwagon with this largest unfunded mandate. Our school districts and our communities can spend, you know, 10 to 25% more, 30% more, on their construction costs because of the Senator Wicks Law that was adopted, in I think 1912. You know, which makes everybody not have a general contractor as such, but you have to go out for all of your different bid process. And so I know the governor's going to amend it. But I have the feeling that he's not going to do for our schools what the schools in New York City and Buffalo and Niagara have, where they don't have to follow the Wicks Law. But the rest of the State does. And we actually had a discussion about that at a conference that we had and we're hoping that he will let the rest of the State be exempt from the Wick's Law.

And government is in the same situation, he just may raise the threshold but, you know, if it's raised to a million dollars I'm not sure that it's going to help communities with their projects. So I think that's something that you could target to the governor right away, because I know he's going to do that, and say, you know, for schools get rid of the Wicks Law. For governments, at least raise it to a substantive amount that is helpful.

On Circuit Breakers, Ginny's got a bill. We did actually and we'll certainly be entertaining that. In the New York State budget last year the Assembly put in a higher income for Circuit Breakers. You know, right now I think it's \$18,000, which I know in my County it's like, who can live in Westchester County with \$18,000 is very, very difficult. So we need to enhance that.

I think what happened last year, there was a trade really with the Senate to go with the rebates. And, you know, the STAR rebate, we actually had a hearing on it to see how people felt about it. We had a lot of taxpayers from Upstate who came forward and said the rebate program is a sham because the schools just keep raising their money for spending knowing that at the end of the day on the bill, that there's a rebate from your STAR in September, but there's also another check coming to you. But the Senate has asked to have that enhanced and I think you really have to make a decision whether you want to send money to the State to have it come back again. There was cost, obviously, with the department having to do this. There are inequities that occur. You know, we're still redoing some of the checks that came out improperly.

On the commercial assessment ratio we passed it in both houses. It would be interesting to hear how small business feels about that. And the business community because I think, although we voted for it and passed it in our house, you know, I think it does put much more responsibility on to your small business and if your seniors want to shop some of the small businesses may close. You know, I think you really -- you know, but it is on your agenda and you'll probably have those discussions.

On the local STAR Program, you know, I don't know whether that can happen. It's kind of an intriguing possibility. I don't think we've ever had -- New York City's always different, but whether all the counties in the southern part of the State would get together on an additional amount for cigarette tax, I'm all for it. I'm not for smoking. And thank you for doing "Tobacco 19". That was

my bill in the Assembly. I hope you find that a lot of young people don't continue smoking. But, you know, I think we really -- I think it's an intriguing idea.

The mansion tax I don't know about. The real property -- the real estate community, usually they oppose it. They opposed it in Westchester when you do it, you know, but that's certainly something to entertain. And the video lottery, you know, I think that's probably a good idea for you. We just kind of got that in Yonkers and Westchester and there are a lot of counties that do have that going forward.

I'd just like to -- and I have this in writing so you can take it with you later just to come by, but it's some of the things that we're talking about. First of all, New York State, when I became Real Property Chair, as Ginny said, a year ago, I found out that the two culprit counties in the State of New York are now Suffolk and Westchester for not doing reassessment. We are absolutely the culprits. And what's happened is everybody has gotten to be so inequitable over a period of time and, you know, we really need to have equity and nobody really wants to do it. I don't know how we force ourselves to do it. We had a bill in Westchester to do it. The governor vetoed it because the business community didn't like it. But, you know, the rest of the state does reevaluate. Nassau was forced into it by the courts. But people have done it and we really need to go in that direction.

So in that view we've introduced a constitutional amendment to require all counties in the State to reassess every three years, countywide assessment, and I want you to think about it. And that will be a subject of the hearing that we'll have in February. It is a constitutional amendment. Other states do this. I don't know why New York, you know, we haven't.

The other thing I'd like for you to look at, which is legislation that we introduced, was the whole issue of condo's and co-op's. As you know now, they are assessed as a unit. You have six condo's in a place and it's assessed as a unit instead of the value of each of the condo's that are sold. There was a bill introduced several years ago that said that we reassess all of the condo's. We decided not to do that. We were going to just say in the future when a condominium is built they are going to be assessed the same as our residential property. It's the value of the sale, not as the total unit. Very controversial, you know. I hope you'll consider that. I don't know about you but there are a lot of condo's going up in different places.

We've also recommended in the Assembly a Blue Ribbon Commission. We reintroduced the bill, Assembly 1015, that would have a nine member commission to evaluate alternatives on a Statewide level to how to fund our schools just as we basically just did on the hospitals. You know, there was a Blue Ribbon Commission that looked at all the hospitals and nursing homes in our State and we made some recommendations. I don't know what the impact was here. I know in my communities there are some -- there's a hospital that will be closed and a nursing home in my district that will be closed. But you know what, I think it generally -- that report was very good, and I think we could do the same thing in education, trying to look at alternative funds.

Again, the real property income tax credit, I don't know, I guess I mentioned that one. I'm looking at -- with one of the Senators, the issue of whether in your school district, you were talking about, you know, your local property tax, if you could in some way, if you take -- give me a school district down here. Is Babylon a school district?

LEG. HORSLEY:
Yeah.

ASSEMBLYWOMAN GALEF:
Babylon is a school district. Okay. It is?

LEG. HORSLEY:
Absolutely.

ASSEMBLYWOMAN GALEF:

It is. Okay. All right.

LEG. HORSLEY:

I graduated from it.

ASSEMBLYWOMAN GALEF:

So, if you take Babylon as a school district and say okay, however the formula works out now with a new governor and the campaign for fiscal equity so we'll get those State dollars. And within the Babylon district, we will determine how much income we have within the district, the people that live in the district. And by the way, it probably will be the income of two years ago, because for the time the State Tax Department gets all the forms in and I learned that like 40% of the people don't put down their school district on their form; I can't believe it. So they have to go back and find out where everybody lives.

So if you had, you know, you looked at your income within your district, how about instead of raising the \$100 million on property tax, maybe raise \$90 million on property tax and \$10 million on income tax; a mix within your community. It would have to be something that your school district, your public would go to a referendum and say, I want to do this, you know, I want to have a mix within my own community.

I know your pressing for it all on the State level, I'm not sure -- I mean, I think that's a harder thing to do but you might want to look at, you know, having the authority to do that locally. So you keep your local dollars where they are instead of sending them up. Because I have to believe, you know, Westchester and Nassau --

ASSEMBLYWOMAN FIELDS:

Suffolk.

ASSEMBLYWOMAN GALEF:

Suffolk is going to be sending a lot of money to the State with income because that's where the income is. And if we get it back we're going to get it back in a foundation aid formula I'm sure. There's going to be a formula determined as to how much it costs to educate a child, which came up with the campaign for fiscal equity lawsuit. And if they say it costs really only \$12,000 or \$10,000 to educate a child, put the regional cost on it and then look at how much your spending here for your kids. I think there's going to be a big difference. And so I'm not so sure. I think you need to start to play with the numbers.

I actually looked at my district and how much they had to raise locally. I took Putnam County, six school districts, because it was easy. And the six school districts are looking to see how they can share services, as a matter of fact, at the present time. But if I took my six school districts in Putnam and shifted the property tax to income, there was -- the way I briefly figured it out was that on their income they're going to pay 10% of their income in their schools. I think I pay less than that now, actually.

So I think you should -- you know, if you could take a school district and say okay, this is how much I have to raise for local property tax and this is my income, because you could get those figures, this is the income in my district. And if I switched it to income, you know, some people are going to be delighted. Seniors will be delighted. And there are going to be some people that are going to be very unhappy. You just have to know, no matter how you switch there are going to be happy people and sad people.

There are some other discussions about a countywide income tax. You know, take all of Suffolk County as a County income tax, distribute to schools. That might be, I don't know, more controversial. I think, you know, the Governor Spitzer has talked about merging localities in our

governments. I live in the Village of Ossining in the Town of Ossining. I have the mayor here and I have the supervisor next to me at a firemen's dinner on Saturday. So I said, so how about when one of you retire we merge, we're the same name. Why don't we merge. And I got no response. So -- but, you know what, you know, if the governor is right that could help us with some of our other costs if there was some merging.

And I also think we have to look at it for schools. Ginny talked about her kids going down to Virginia. I was a teacher in a Virginia Countywide School District. Great school district. But I was hired countywide, trained countywide, had my own classroom, my own principal, did my work and you know what, it saved a lot of money. And people have to be ready. Actually our governor said we got to be ready to say no. We got to be ready to be different and, you know, it can be complicated to do that.

Now, Governor Spitzer also has a plan based on the STAR because everybody, as you said, loves the STAR Program. But it's not based on -- it's not really -- it's based on the wealth of our properties. Actually, you do well with STAR, Westchester does well with STAR, Nassau, because we all have high property values. The rest of the State doesn't necessarily like STAR that much. They don't get that much back. And the rebate program is also based on the fact that it was what, 30% of whatever we got in the original STAR. So that's still based on the, you know, the wealth of real property.

Now, Eliot Spitzer is trying to put together, I think this is the plan although we haven't seen anything in writing, that there be a middle income STAR. So I would assume we'd keep the same STAR Program that's there, but there will be a new program that some people will go back -- go into and it would be based on the median income of your County. And from the median income down, people would get a greater percent of the \$6 billion that he's talking about for rebate. And that will have -- that will be, you know, more about your income, because, you know, it's about the median income in the community. So there would be a little bit more fairness in it and it isn't just about the value of your home. So I think we have to kind of stay tuned to that and I assume that that will be out in, you know, on the January 31st, in the January 31st budget.

But I look forward to working with you. It's a very, very complicated issue. And I, too, have a lot of people in my district, we've been having these kind of meetings and I really applaud you for getting so many different people together to try to come up with some plans. And whatever we can do to help you in Albany, you know, Ginny Fields does a great job and, you know, she's there to nudge me on. So -- and if you want to do pilot projects here in your County, maybe we can try to get something like that done. Even if it goes into, like the local income tax thing. Even if it were done for a three year period of time just to see what the implications would be. You know, again, when you start to play out the numbers you're going to find, you know, the effects for different people. So, thank you very much.

ASSEMBLYWOMAN FIELDS:

I just want to interrupt one thing that Sandy just mentioned. Sometimes, oftentimes in New York State Government it's much, much easier to implement a pilot program for a small segment of the State than it is to try to implement something for the entire State. You know, we've done some pilot programs for Suffolk County alone, or for some of the other Counties. And generally, I'm not saying that it works for everything, but it seems to be an easier thing to try to pass through the Assembly and through the Senate. So that may be something that we could target and work very, very well together on.

P.O. LINDSAY:

Assemblyman Boyle, or Fitzpatrick, would you like to comment? Or just want to take everything in? I don't mean to put you on the spot, Mike. If you want to -- sit down at the table.

ASSEMBLYMAN FITZPATRICK:

I'd just like to say thank you very much for undertaking this effort. It's very important and very necessary. And the comments have all been interesting. As Sandy and Ginny mentioned, we have a

new governor. And this governor has promised dramatic change. And in the language I speak, change means change. And you're not going to have change unless you execute and deliver real change. I have the distinction of probably voting no on more legislation in Albany than any of my colleagues. I'm kind of known for that. And the reason I do that, in fact, I'll tell you a quick story. We're doing budget votes and I'm voting no, no, no because my constituents tell me they're choking on their property taxes. Our floor leader comes, sits beside me on the floor and says, do you know what you're doing? And I said I know exactly what I'm doing. He lost. I'm still here.

Even though I'm a Republican, I'm very supportive of this new governor and the change that he is promising to deliver. I think that tomorrow's story in Newsday is not going to be about -- about three things. It's going to be about the VLT's, it's going to be about the mansion tax and it's going to be about the sin tax on cigarettes.

I think we're just tinkering on the edges here to be quite honest with you, and I applaud you for the work and the effort that went into this. But we're tinkering around the edges. We look at STAR. STAR is a great program. But the original legislation in 1997 required a cap on spending by school districts. Without that cap -- and Speaker Silver would not let the bill pass with a spending cap. Unless there is a cap, STAR is nothing more than fiscal novocaine, because the schools will continue to spend.

We have a private sector and a corporate sector that's adapting to a global economy --

Applause

-- in a very competitive marketplace. Yet we have governmental structures at every level that are still based on an old, antiquated and no longer sustainable business model. That has to change. Whether it's consolidation of different districts, whether it's reducing, whether it's member items, whether it's excess staff, whether it's -- these are real changes that I think have to occur.

I think there should be a tier five with a 401(K) style pension for all public employees going forward with the exception of police and fire, who have a different set of circumstances. You cannot touch existing benefits now, but for new hires we have to move to where the rest of the world is moving to. You'd have maybe a 3 or 4% required contribution from the employer, which would be the State, County, town or school district. But workers are going to have to contribute to their own pensions going forward. They will have to pay more for their health insurance. I think states -- New York doesn't do this, but other states have changed their insurance law to allow for stripped down, more basic policies to keep the cost of insurance low. That will attract more business. We must attract more business.

I don't like the idea of raising taxes or increasing taxes. To me, I think it's the path of least resistance. We're unwilling to look at some of these very difficult subjects and make that change, those changes. Therefore we go down that path of least resistance. Let's put two dollars on cigarettes, let's go after the rich with their mansion tax, and then let's do VLT's.

They put 1,300 VLT's at the old Saratoga Harness Track. I went up and went for a visit my first year in the Assembly. I don't gamble and I vote no on all gambling. I was very saddened by what I saw. I've never been to Vegas. I've never been to Atlantic City, but I've seen it on TV. And when I walked into that facility without windows, lots of lights, lots of noise, I saw a lot of people who I could just tell have better things to do with their money. They call VLT's video crack for a reason, because it really is. And even though it will raise a lot of money, the suicide rate, the bankruptcy rate -- they've increased in Saratoga County since the implementation of these. I don't think it's the way to go. But if it's the path of least resistance it is the way to go, rather than look at some of these more difficult subjects.

I'll close just by saying thank you for the work that you've done. I do think a lot more needs to be done. And I think the governor is dead serious when he says we need dramatic change. And I think

government at every level is going to have to change dramatically because we need to increase the size of -- if we're going to keep young people, if we're going to keep businesses, we have to make New York State and Long Island a very attractive place to do business. And government, in my opinion, is too large, spends too much and frankly wastes too much, and I think those days are over. And people are upset. Why do so many school districts fail? They see what's going on. You know, it's Roslyn. It's William Floyd. It's some of these other districts.

But what I have found most disturbing in my four years in the Assembly is that the anecdotal evidence and the conversations I have with teachers, retired teachers, parents, they see there's waste in some of these school districts. They know their money is not being prudently spent. They know change would be helpful and we have to execute that change. So I think -- I stand ready to work with the new governor to move the State in the right direction. But if we don't look at the cost and size and services and benefits offered by all government, I think we're kidding ourselves, because you don't -- I don't think you solve this problem by adding more taxes, regardless of who they're levied upon. Thank you very much. I appreciate everything you've done.

Applause

P.O. LINDSAY:
Assemblyman Boyle.

ASSEMBLYMAN BOYLE:

Thank you, Mr. Chairman, and thank you for the members of the commission for this report and all the hard work you did to bring about this great information, which I will certainly share with my colleagues in Albany. And thank you, Chairwoman Galef, for the honor of you coming down here to Suffolk County. Sandy is, as Ginny was saying, is well known in Albany on both sides, very well respected on both sides of the aisle, for being an independent, strong voice. And actually I'm stunned that they gave you a committee, you're such a maverick up there.

Very quickly though, I will be brief. We all know, whether elected officials or no, property taxes is the issue here in Suffolk County. I was in office for nine years in the State Assembly. I left for three and just won a special election about a year ago. Actually my opponent, very worthy and wonderful person, Ernie Mattace, in that race is here with us today. And I think between Ernie's and my campaign we spent about a million dollars. In every single flier it said the exact same thing. We need to lower property taxes. That's what it was all about.

I represent an area in Islip and Babylon. It's an area -- it's a problem all through the County, but particularly in that area as well. I'll give you one quick example. I get phone calls weekly, if not daily, from senior citizens in my district who must leave. And one struck me two days ago -- it was in office in Albany. A woman called distraught, got her tax bill, she'd worked out her finances. She can spend \$30 a week on food. That's what it had gotten down to on her fixed income. And she said, Assemblyman I'm afraid for the first time I have to leave. And I don't think we can live in a community where our seniors, if they want to go to Florida they should move there because they want to, not because they have to. And that's where we're at today.

Quickly Chairman, you mentioned volunteer services. I happen to be a volunteer firefighter and a volunteer EMT. In Great River we cannot find qualified individuals to take those positions. FASNY, the State Firefighter's Association, did a study last year, you were wondering about the cost, that they said would increase our property taxes 20% at least if we had to go to a paid service. And we could imagine what that would be for our homes.

My two sisters live in North Carolina. I was down there for the holidays. A \$350,000 home, beautiful, five bedroom, third of an acre. Their property taxes are \$3,000. That makes sense. About 1% of our value. That's about what they have -- their garbage gets picked up a couple of times a week. They've got good schools. The services are about the same. We're doing something drastically wrong. And I think part of it, as Mike was referring to, the whole part of my opinion is

the spending.

I would remind Mike that when Sheldon Silver denied the cap on the STAR Program, which was originally passed, it was also denied by the Republicans in the State Senate and ultimately the governor. I mean, maybe I'm partisan, but I think the Republicans were supposed to be the ones that do not want to spend a lot of money. The two -- two of the three people in that room were Republicans and they voted against the 4% cap. We needed it then, and we need it now. We would not be in the position we are right now if we did that.

To begin with -- one last point about spending. I remind everyone, I know you've all seen it in Newsday, about Roslyn School District. Eleven million dollars were stolen -- were stolen from that school district. And it wasn't that there was a budgetary crisis that the reason that they got caught. Remember, someone dropped a dime and wrote an anonymous letter to the prosecutors. Otherwise, it would still be going on. They lost \$11 million and they didn't even know it. That's too much money. We need to reduce the spending. Thank you so much and I will share this with my colleagues.

Applause

P.O. LINDSAY:

Does any of the commission members like to make -- ask a question of our State folks? No? Okay. Next part of the process, anybody in the press corp over there have any questions that they would like answered about the report or not clear? Anything? Okay. Let's --

MR. FELDMAN:

Yes, I do have a question.

P.O. LINDSAY:

Yes.

MR. FELDMAN:

Was there any consideration given to enforcing a cap on school district tax increases?

P.O. LINDSAY:

The question for those of you that might not have heard it, was there any consideration about enforcing a cap on school district expenses? Increases in school district expenses or taxes?

MR. FELDMAN:

Taxes.

P.O. LINDSAY:

Taxes. Okay. Truthfully, no. It wasn't something that came up in the discussions. We know that our sister committee on expenses is looking at the expense side, although your question was about taxes. I don't think you can put a cap on the taxes unless you cap the expenses.

MR. FELDMAN:

But there's supposed to be a State cap on tax increases for school districts.

P.O. LINDSAY:

Well, I think that was what some of the Assembly people were talking about. The original proposal I think, and correct me if I'm wrong, that Governor Pataki put forward was to cap at 4% expenses, and that it was not acceptable. Am I correct?

ASSEMBLYWOMAN GALEF:

Right. He did put forward that plan and I think there were some exemptions if you had additional

students come in, and I think there was some other category. The school boards obviously were not very supportive of this. Frankly, it would have been a problem. Remember when we had -- after September 11th we had a downturn in the economy of our state. And at that point, you know, our -- all of our savings was -- were not doing well within the Comptroller's Office.

So, we pushed back on to schools and County governments the requirement that they had to put more money into their retirement system. And that was -- you know, I was a Westchester County Legislator. I remember the day when the County said you don't have to -- or the State said you don't have to pay anymore in the retirement system and we said, oh yea, that's great. But then all of a sudden because of September 11th we had to do it. So there was a huge increase I know in our schools. You probably -- I don't know what would have happened at that point if you'd had a cap.

So, you have to have -- and maybe the new governor will say, as Ginny had said, you know, in the State of the State, that, you know, he's going to be tracking the new money to be wisely used and whether there will be any kind of requirement at all with the new spending that comes through. But you have to have opportunities when there are terrible emergencies. If you'd have a fire in the school or you have capital construction going on when you're -- maybe you can't stay within that 4% or whatever. So, you know, it's very hard to have these artificial caps. There has to be a lot of thought behind it.

ASSEMBLYWOMAN FIELDS:

I think also in addition to that, there's a regional cost factor for us on Long Island who pay the highest rates for our fuel and, you know, that's a concern that we have fought for as Suffolk County residents and on the Assembly side and on the Senate side that it's not really fair to Suffolk County with our LIPA costs and the amount that we pay compared to other areas throughout the entire state.

So there are all kinds of problems that make this an extremely complex issue that, you know, again, I think us talking to you and including both sides of the aisle is very, very healthy in order to get to the reform that we need. And as Mike said, and I'll reiterate, I think anything we do is going to have to hurt, and the only way we're going to see change is if it does hurt. And it's going to hurt some of us quite a bit. But what we're trying to do, I think, is to make it more equitable and make it so that people can afford to live here.

P.O. LINDSAY:

We have a couple of comments from the commission members. Lisa Tyson, I'm looking at her first because she's better looking than you are Bob Lipp.

MR. LIPP:

I won't disagree with that.

MS. TYSON:

Thank you. I guess I kind of want to give an explanation of part of this report and kind of what we kept grappling with and where we're at. After looking at everything, the best choice is that the State needs to pay more of the percentage for education. And they are not paying their fair share. And we also as a group, we said well, we can't just say -- because we've been saying that for many years and we can't just constantly say that. So we had to come up with some local things that we can really do. But the reality of it is, is this problem, why people's property taxes are so high, it's because the State is not paying what they are supposed to pay and they're not giving the quality education that's in the State constitution.

So, when we look at this report we really are looking at the State to pay their fair share. I mean, you gave the percentage of 50% in other states. We need to get back up to that 50%, which would mean that our property taxes can actually be reduced -- not through a STAR, this would be a true reduction we can really go to and that is an income tax that's based on people's ability to pay.

When we looked at trying to institute a local income tax just for Suffolk County, the problem that really kept coming up is that how do you distribute that money? Is it done by a district by district basis? Well, what would happen to Wyandanch in that situation? And who gets those funds? And that's where the quagmire really was created.

Our organization personally supports income taxes, replacing the property tax for local government. We suggested that in Nassau County and we are also saying on the State level we need more income taxes rather than property taxes to pay for schools. Unfortunately, when we looked at the County income tax, there's just so many problems with the distribution of those funds that we cannot support such a thing. So it comes back again, we need the State to pay their fair share for education. They're not doing it and they need to.

P.O. LINDSAY:

Bob Lipp.

ASSEMBLYMAN FITZPATRICK:

Mr. Chairman.

P.O. LINDSAY:

Yes.

ASSEMBLYMAN FITZPATRICK:

I'd just like to hop in here. I agree with you. Every one of us on -- from the down state delegation, including Sandy, because I think they have the same issue there, paying the fair share. If you look at the statistic that Ginny mentioned, we're getting what -- we have 25 or 26% of the kids; 19% of the money.

The problem up in Albany is Albany is really just a -- it's a mosh pit of interest groups. It really is. And the problem is the Upstate Legislators know darn well it costs more to educate a child here, our costs are higher, etcetera. But they say look, if we're going to give you, are they going to take less money to give us more? No. They're not going to do that. The city, if the CFE is going to get more money, where is that going to come from?

So, the reality is we all have to go back and fight very, very hard and everybody does because the number one issue is school aid really. But what if you don't get -- what if we go from 19% to 20%? It's still not enough. Okay. The reality is back here in Suffolk County and every one of our school districts you have to deal with it, which means you have to look at your expenses, you have to watch what you're spending, etcetera. So I'm not optimistic that we're going to get a lot more or that this formula is going to change dramatically, because as the governor said, he wants to solve the CFE problem in his first year with this budget. But he also -- that also means that more money goes to those higher needs districts. And here on the Island, districts like Central Islip, Brentwood. It won't be Smithtown, it won't be Three Village, it won't be Ossining. All right?

So more money is going to go to the city. Less money is to going to go to the higher wealth districts, and if we don't get that formula changed, now what? We're still -- we're in a sense back to square one. We have to look at the spending then. And what happens if, and this affects all 50 states, God forbid something happens on the other side of the globe, oil goes up to over \$100 a barrel. The stock market goes down. Let me tell you, the first group that will be on every one of our doorsteps will be New York State United Teachers saying we don't care what's going on in the rest of the world; fund our pensions. Okay. And the law says we have to. And how do you we do that? Taxes are going up. So we really have to look very hard at, you know, if you make an omelette you've got to break some eggs. And it's going to be very difficult.

MS. TYSON:

We also need to look at the history of taxation in the past 12 or so years. And the top tax rate has been lowered and basically we've starved the system of money, which is why we're in the situation

we're in right now. If we went back to about, you know, 12 years ago taxes, we would have plenty of money for all of these things right now. But, you know, tax cuts are the popular thing and everyone wants to support tax cuts and now we've starved our system of the funds that we need. And, you know, we do need accountability.

But also the State system for education is a State system and every child if they're poor they need those resources. I don't care, I want to support those poor children Upstate. It is my responsibility as a New York State taxpayer to support those children who need those funds. So it's not that they're going to get it, we're going to be taking away money. It's not about that. It's about the children throughout the State. And I really hope that that's what you guys are thinking about when you're making those decisions, not just about my little area because it's a statewide constitutional issue.

ASSEMBLYWOMAN FIELDS:

But in that change, in that change of the formula, it is also going to affect our high needs districts right here in Suffolk County. And those are the areas like Wyandanch or Brentwood or Central Islip, or any of the other areas that have not had the kind of funding that they need in order to educate someone. We hear people talk about CFE and only supplementing and helping the kids in the city. It's not only going to help the kids in the city, it's going to help our kids right here.

And the one thing that I'm really looking forward to, we all are on both sides of the aisle, is working with this governor because he does believe that education is the key in order for us to compete globally and in order for us as a state to survive. I mean, if my son who's an educated, young, industrious young man can leave, so can many, many other people. And we cannot continue to afford to lose the brain children, our future from Long Island. We can't -- we just simply can't keep going like that.

So education I think is something that we cannot just ignore and we can't just say well, you know, okay we're going to take care of the kids in the city. This is also going to help our young people survive right here in Suffolk and Nassau County. And I think as Mike did say, I think this particular state has some of the hardest fighting Legislators right here from Suffolk and Nassau County on both sides of the aisle that fight the hardest to keep money right here within our districts.

ASSEMBLYWOMAN GALEF:

Lisa, could I just pick up on something? You talked about the tax brackets and we only have five. I was amiss, somebody had brought up, you know, why we -- why we just don't have a -- what was Forbes --

MS. TYSON:

Flat tax.

ASSEMBLYWOMAN GALEF:

Flat tax. Why don't we just have a flat tax? So, you know what happens, because of the way our system is created with our current taxing system we basically have a flat tax. Because anybody that has income over \$20,000 is taxed at 6.85%. So, we really in this state have a flat tax. Should we have a flat tax? I don't really think we should have a flat tax. And that's what happened to us, what back, you know, I guess we did a lot of it early 90's and whatever and changed.

So then you're back to inequities because I think 6.85% means a lot more to somebody who's making \$25,000, \$30,000 than it is for somebody making \$500,000. And that would be more State revenues if you wanted to go to the State income tax that would give you more State revenues to be able to get that back into school aid. But I want you all to remember that STAR really -- it's really, it's education. It's enhancing the monies that are going to education. We just don't -- the educators don't really think about it because, you know, they can't lower their budget. But it is, it is State aid for education.

And the reason I think why the Senators fought so hard for the rebate check is that they didn't {inaudible} budgets, and so they felt, all right, don't give it to you in September when it's on your form, give it to you in another time of the year, so the schools can't really put that into the whole category. Now with the governor, I think his middle income tax credit will probably be done at the school time in the September bill. I think, but, you know, we'll find out more.

But, again, we really should look and say do we really want a flat tax in the State of New York because that's what we have.

P.O. LINDSAY:

Bob. Robert Lipp.

MR. LIPP:

About the flat tax issue, not that this is important, but you could actually have a flat tax and it can be progressive if you make the exemption higher. So if your first \$40,000 worth of income was exempt, then you're making 50,000, you're only taxed on 10,000, which would be a smaller tax than somebody who's making a million dollars a year.

But the point that I wanted to speak to is the cap stuff. Caps on expenditures and taxes are feel good things, but from my experience of years of budgeting and from years of teaching economics, they don't work. And the reason why they don't work is if you look, for instance at the federal level they've had fund caps there. They don't work because they create rules to get around them. There are examples in Europe; ditto.

There's an example right here in Suffolk County. The Budget Review Office has written for years how the caps that we have on expenditures and taxes simply do not work. You can put them in place. You can spend a lot of time working on them. In theory they can work if you made them hard caps, but then you take away all sorts of leeway and discretion on the part of the people that need to make decisions that would make life very difficult, you'd wind up firing people. So personally, from my years of research they don't work at all.

ASSEMBLYMAN FITZPATRICK:

Mr. Chairman. Bob, we've had some discussion about this. But where I would disagree with you is that for those who can be very creative with budgets, yes, you find a different way to get what you want. But what a cap does do is it requires you to look at efficiencies -- to look at efficiencies in your system and I don't think we have that in government today. We don't. And that's why I support a cap because you have to force -- government is not going to change unless it is forced to change. And those are going to be either by fiat or by economic circumstances. The private and corporate sector is already adapting to a very different way of life here. Government has to do the same thing.

And, you know, there's no -- like I said, with all due respect, the real answer here is let's levy more taxes. It's not looking at fundamental change in the structure of how government works at every different level. Why? Because there are a lot of interest groups. Every one of you around this horseshoe represents an interest group. All right. So don't cut me, you know, tax the guy behind the tree is what we're -- basically what we're saying here without looking at some of the very difficult and very real choices that have to be made. And if it means laying off some people, then that maybe is what is required.

MR. LIPP:

Can I respond to that?

P.O. LINDSAY:

Go right ahead, Bob.

MR. LIPP:

Okay. I agree with you, the efficiency things. I just do not see how caps could work for that. And what you're talking about a lot is the expenditure side, which is (a), not the mandate of this commission, but (b) it's a mandate of the other commission. And (c), part of the reason why we are recommending the Suffolk or local income based STAR Program is you're not -- you're still going -- I mean, it's a partial effect. What you will see is (a), if it's an income based program you're not going to get the credit that this program would provide if your income's high. If your income is lower, you'd still nevertheless see what you would have had to have paid, how much extra if you do get the credit, so that you're not fooled by seeing that schools are spending and therefore taxing at a certain level. You could still observe that.

So the point to be made there is there is -- you don't have the incentive that you would if you just gave the school districts the money that we would in theory raise from a second source of local revenue. You wouldn't have that same incentive to just supplement. It would -- it would put some sort of slow down, if you will, on that particular issue. That's why we're looking at a local income based Suffolk STAR Program. Not a complete remedy, though.

ASSEMBLYWOMAN GALEF:

Could I just ask, how are you going to -- you're going to collect the money with the local STAR Program and does it go into County coffers and is segregated and then it goes out as a rebate check? I haven't had a chance to read the report.

MR. LIPP:

We would need State enabling legislation to create an entity. Exactly what type of entity, you know, there are a few different types.

ASSEMBLYWOMAN GALEF:

Right.

MR. LIPP:

But that's how it would work. There is a mechanism in place already that the State has already for an income based program in terms of the Enhanced STAR Program for seniors, and actually the way it would work best is if the new Governor's initiative to create a non-age specific STAR Program that's income based was in effect, we could piggyback off of that.

The -- and what's already in place now is the assessors in the case of Suffolk County, the town assessors bear most of the burden of having to do the legwork, they are the eyes and the ears. And then there's some additional help that's needed from New York State Department of Tax and Finance for the income verification, and for the Office of Real Property Tax Services to do the verification of what the exemption amounts are.

So we could create these groups here, not the tax and finance from the State, we couldn't do the income verification. The other things we could, but the easiest sell would be if Governor Spitzer determines and gets passed a non-age specific STAR Program. If we could piggyback on that it wouldn't be a significant additional cost. And we're working on that behind the scenes.

P.O. LINDSAY:

The County Comptroller, Joe Sawicki, would like to make a comment.

MR. SAWICKI:

Assemblyman Fitzpatrick and a Assemblywoman Fields and Assemblyman Boyle, 24 years ago I put my first year into the New York State Assembly. And this is déjà vu. It's the same issues. It's down state versus Upstate. It's New York City versus the rest of the state when it comes to how, you know, determining how our tax money should be spent and getting our fair share back to Long Island.

Albany continues to be the problem. And you guys and girls in both the Assembly and the Senate, we know you work your hardest to try to help and get more down to Long Island. But I know what you're up against. And Mike, you were saying before the different interests groups. So not only the interests groups that are involved, but you have the regional issues that are, you know, Upstater's aren't going to, you know, let Long Island, the rich Long Islanders get their fair share, etcetera, etcetera.

The unfunded school mandates that continue to come from Albany. The idea or the reality that Medicaid continues and the Medicaid formula, the liberal Medicaid formula out of Albany continues to choke the municipalities across the state.

If we all agree that we genuinely and realistically can't change the Albany formulas and the State aid formula probably won't be changed this year or any time in the near future unfortunately, then maybe it's -- maybe it's time for a real radical concept. Twenty years ago I and some of my Assembly colleagues sponsored a bill calling for the cessation of Long Island and the creation of Long Island as its own separate state. I know it's a radical idea.

Applause

I know it's a radical idea, but having our own state, it would probably stand just as much chance of passing Albany as the change in the school aid formula.

So maybe it's time to bring this back into focus. You know, the money that we raise and pay on Long Island, stays on Long Island. And we would be the 22nd largest state in the country. So, you know --

MR. FITZPATRICK:

Maybe a suburban CFE suit might be required. Take it to court to force that change.

P.O. LINDSAY:

It's ironic that, Assemblyman Fitzpatrick, you come up with that because one of the things that I just noted is the irony of this CFE case is that New York City is getting a better cut of the pie than we are. You know, by about 10%. And yet they -- that group of citizens in there sued and won.

ASSEMBLYWOMAN FIELDS:

CFE, actually, is done all over the nation. There are many, many CFE suits. So it's not just New York City that decided to do it. There are suits -- I think even Upstate there are a couple, as I recall, from some of the other Assembly members.

But, also, Joe, in response to Long Island seceding, I actually thought about that myself at one time. It was a fleeting thought. But I also found out that you can't just do that. What ends up happening is you have to pay back the State for certain things and it actually becomes economically impossible for us to, you know, remain on our own once we have to pay back those fees and funds.

MR. SAWICKI:

It would be interesting to see a real feasibility or an economic study done to analyze the different costs. I know Dr. Koppelman --

ASSEMBLYWOMAN FIELDS:

You could do that, Joe. That's part of what the Comptroller does; right?

MR. SAWICKI:

We have a pretty handy report. I'd be happy to share it with you. Dr. Koppelman and the Stony Brook Foundation just published about a year ago. He actually updated his 1984 or '85 version about the creation of the state of Long Island and how much affordable it would be down here. Again, I realize it's pie in the sky and I risk being called a radical. But according to Dr. Koppelman

and he's got, you know, like a ten page report showing how it can be done. And --

ASSEMBLYWOMAN FIELDS:

I'd like to get a copy of that.

MR. SAWICKI:

I will. I'll send it to you.

ASSEMBLYMAN BOYLE:

If it does work out, I'd like to --

P.O. LINDSAY:

I think Assemblyman Boyle wants to --

ASSEMBLYMAN BOYLE:

I'd just like to volunteer my services as campaign manager for Governor Sawicki.

MR. SAWICKI:

I'll be the State Comptroller, Phil.

P.O. LINDSAY:

Okay. Okay. We're getting -- I promised the public that they would have some comments -- time to comment on the report, and I'd like to get to that part. Unless anyone on the commission would like to add additional comments? Go ahead.

MS. DELLER:

Yes, please. I think it's important to note that the eggs were broken on Long Island when it comes to school spending. In the early 90's Long Island schools, through their budgets, funded the bail out for the rest of the schools in New York State. Money drawn from Long Island kept the State and the other school systems afloat. This was handled in two ways, massive reductions in school expenditures, as well as incredible increases in local property taxes.

Our citizens had to go to the polls to sustain the quality of their school districts by granting to themselves the need to pay more than they really should have. I think it comes to a surprise to many people that we have only a handful of school districts on Long Island that get the percentage of State aid in their budgets that they had in 1990.

Meanwhile, if you're talking about capping, we had shifts of expenditures on to the local level with reduced State aid. Before the State covered 90% of transportation costs. We have districts on Long Island right now with increased costs because of consolidation and special education services transportation getting less than 3% aid. Where has that money come from? It's either been a diminishment in program or it's been, again, an increase in local taxes. We can look at the Wick's Law. It was mentioned here before. A waste of money that should be the shame of anyone who has the ability to change it.

New York State is the last state in the union, North Carolina got rid of it a couple of years ago, that imposes the increase of 25% on capital programs for school districts. Unconscionable. When we have to go for a bond issue where we are asking our citizens to waste money. This is not only a waste at the local level, it is a waste at the State level because State funding does affect capital programs. I defy anyone who tells schools to save money and does not work and get this fixed.

We are also looking and we've heard today about a very real problem, and it's mentioned in the report. The fact that our youngsters and senior citizens can move to other states in the union. That a \$200,000 house in North Carolina or the \$300,000 house in Virginia comes with a tax rate that can sustain it. That \$300,000 house on Long Island would cost 750 to \$800,000.

The income level needed for people to live in that is the other problem. What does that mean to us? That is truly why our State aid formula looks at Long Island as inordinately wealthy. It takes that \$800,000 house, it takes the income that's needed to sustain it and it looks as though we are all rolling in bucks down here. It is just commensurate with what we're looking at in other states.

So again, you've heard here, you've heard in the report, you've heard from other areas. If we don't have a regional cost index that recognizes the enormous differences in costs down here, takes into account the true value of our homes as relates to income we are not going to solve this problem. And whether Upstate decides to listen to it -- or to us or not, is really dependent on the strength of our Long Island delegation in impressing upon them that should Long Island continue to see a diminishment either in its educational program or a loss in its citizens, both senior and young people, we are the economic engine that drives the state; more so as we look than New York City.

So I think it's very important that we keep this all into context. School boards are -- have been dealing with this for decades. Our job has become much more different; particularly since the 90's. This is not running amuck school spending. I think, again, we are serving on another commission. I think before anecdotal information is thrown around as fact, we should really examine what exactly is happening with regard to school spending and the unbelievable costs that are incurred by local taxpayers because we're not getting sufficient State funding. Thank you.

Applause

P.O. LINDSAY:

Gary, did you want to comment?

MR. BIXHORN:

Yes, quickly, in terms of the reform of the State aid formula and what it might or might not mean for Long Island. We had a couple of proposals in the report as part of our recommendation that I think are important to remember. One was, and this goes back to the discussion of some of the low wealth districts. That within a -- within the newly reformed State aid formula there needs to be a recognition of the student needs based on the wealth of the district, the academic outcomes that the district is experiencing.

I think it's very important to look at school district wealth. And we have to work in Albany and elsewhere in the state to dispel some of the myths about Long Island. There's this perception that Long Island is wealthy. If you look where the kids are, if you look where the kids are in our school districts in Suffolk County, over half the kids are enrolled in school districts of below average wealth when you compare wealth on a statewide basis. On Long Island it's about a third of the kids overall.

However, the further east you move in Suffolk County, the more dramatic the disparity becomes. In the eastern Suffolk region, in those 51 school districts in eastern Suffolk County, nearly two-thirds -- over two-thirds of the kids are in schools districts of below average wealth. So, we have a lot of kids -- we have a lot of districts with a lot of needs.

Another indicator of this is, and Bill had mentioned earlier, of the minimal amount of State support that many of our school districts receive. I think it's important to note that we have 39 school districts on Long Island that get less than 10% of their support. Then percent of their revenue is from the State. That means those districts are using property taxes to raise 90% of their income. The property tax was never meant to do that.

We also have 55 other school districts receiving in between 10 and 30% of their revenues from the State, which means in essence we have 94 school districts on Long Island that are receiving less than 30% of their income from the State. The statistics that Assemblywoman Fields' shared in terms of State support and State effort and State share were really more dramatic than I had thought. I had heard other numbers, but hers were really far more dramatic than I had thought.

So, there are real needs on Long Island. And I think that, you know, as you work towards reforming the formula I think that we have to repeatedly remind folks from other parts of the state that Long Island does have real needs. These are all numbers based on real research using real State audited income and expense numbers. So, I would urge you as you make the case for Long Island to rely on the data because I think the data makes a very strong case for sending more money to Long Island.

One last piece, and Assemblyman Fitzpatrick mentioned it in terms of the share, the State share of revenues coming -- of income coming to Long Island as opposed to the share of kids we have enrolled in our school districts. We have 16.7% of the kids in this State enrolled in our school districts and we get 12.7% of the State aid. That difference of 4% is worth \$680 million. If we were receiving the requisite amount of aid, if we were receiving an equally proportionate amount of aid, there'd be another \$680 million coming from Albany to Long Island.

P.O. LINDSAY:

Okay. Okay. Just final comments and then we'll open the public portion. And just to follow-up. I think the plea from this group, from this commission, is for fair share. All we want is what's fair to our region and, you know, Joe was talking about 24 years ago in the Assembly we talked about the same problems. Folks, we don't have 24 more years to argue about this. We need to come up with solutions, if not these solutions. We're not saying this is -- is what has to be done, or this is the blueprint. This document was created to continue the dialogue for change. And I think the seeds are changed there. I think we've seen that in the governor's address last week. I think we've seen it in Senator LaValle's press release this week. I think we see it by the Assemblywomen and the Assemblyman that are here today. And we just hope that change comes about and speaking on behalf of the Suffolk County Legislature, if there is any parts of the report or if there is other things that make sense in terms of changing State legislation, please let me know and we would be happy to add our voice as a regional government to effectuate this change.

With that, we'll go to the public portion. I don't have a timer but I would ask comments not to go on forever. Cesar Malaga is the first person that has signed up.

MR. MALAGA:

Yes, good afternoon. My name is Cesar Malaga. I'm the President of the Hispanic American Association. I want to thank you, Presiding Officer Lindsay, for having set up this commission. And to the members of the commission for the time you spent in putting out this report. I know Lisa. I don't know where she finds the time for relaxation. She's always in different places looking to improve the quality of life to all the citizens. Thank you, Lisa.

Talking about taxes. In the report it mentions that we pay about 70% -- close to 70% of taxes. But there's no mention about the other tax that we pay -- that taxpayers pay. Franchise taxes. Telephone -- telephone, you know, calls we make. Telephone calls. Telephone cables. LIPA. All the cable that's in the streets, you paid -- we paid that as a franchise tax to go to the schools. Also you have the television. So, there are -- citizens with taxpayers pay more than 70% in taxes. And what we're getting from Albany? Nothing.

Now. I always used to looking about lottery. I know that was set up to improve education, to help education. Twenty-seven point three percent in overhead, that is too much. It should be less than 10%. It should be less than 10%.

The other thing I see here, you know, we have -- I saw in Saratoga, the gambling casino, in the Saratoga tracks. You know, the State builds them all over the place. Where is the money going? Where? Someone's, you know, pocket or what? Or giving a job to the politician's families? So there's a lot of things. We have to look into it to eliminate this excess spending.

And the other thing I would like to mention to you is you mentioned sin taxes. You're estimating how much tax would, you know, generate. Do you know that if people stop smoking, it will be zero?

Zero taxes. So, you cannot estimate, you know, this will be because some of the people who smoke would be dead of cancer. Some would be ready to die. So, it will not be that estimated tax that you are promoting it.

Now the other thing is about our schools. Our schools are not keeping up with the technology of today. They are not. They are not using the 25th -- 21st century technology. In my school district I have gone twice to tell them that we can cut the school expenses by one-third if we use distance learning. I provide -- to provide them with a tape to see how they can learn. And you know what the President of the school board told me? Look, we don't want to hear from you anymore about distance learning. That is the type of, you know, people we have in the school district, that they do not know how we can cut taxes.

And now the other thing I would like to mention is Assembly person there mentioned about reassessment. It would be the worst thing that can be done in the rest of towns in Suffolk County. I am familiar with reassessment. It was a catastrophe what Suffolk -- what the Town of Southampton did in reassessment. The first time they reassessed a house that's valued at 500,000. It was increased to 1 million and 1/2 additional taxes. The second time that was increased, that same house reassessed to \$2.5 million. That is a disgrace, especially when we have senior citizens that own their homes for many years and they cannot pay the taxes.

So reassessment should not be implemented anywhere in Suffolk County. So your idea -- I don't know whether you're familiar how the assessment's done. I am familiar. I went to New York University to study reassessment. I did many reassessments, especially with the franchise tax, because I had to provide the data to provide --

P.O. LINDSAY:

Mr. Malaga, in case you might have heard that beep, I found my timer.

MR. MALAGA:

Just one last thing. One last thing. You mentioned that, you know, about, you know, generating additional monies. I know the town, the County, there's no one to prevent the casinos. But, you know, that our Shinnecock Indian Nation wants to put a casino out east and then they'd be giving us additional monies for our education. That will help us. But there's no problem -- like if it's a traffic, this or that. I am familiar with traffic. The problem is east of Shinnecock Canal. But the casino is west of Shinnecock Canal. So, let's work on that. Maybe if we build a casino thousands of residents of Suffolk County and Nassau will not be going to Atlantic City. They'll be coming to the Shinnecock and which we can generate additional funds. Thank you for spending the time.

Just one more thing, I think if you give us the time, that many of us can analyze this report and send what we think of it, the house will improve. So I would like to recommend this. Thank you very much.

Applause

P.O. LINDSAY:

Thank you. Lois St. George. Am I interpreting that correct? St. George is the last name? No, maybe she left. Barbara Ormandy.

MS. ORMANDY:

I have a quick question to ask before I go into my -- what I came up here for. If we have a state of Long Island, are we going to include Queens?

P.O. LINDSAY:

It's Mr. Sawicki's idea. I think he went to the men's room.

MS. ORMANDY:

Anyway. My name is Barbara Ormandy. I live in the Sayville Commons apartment complex. Everyone talks about property taxes for the homeowners. But what about apartment renters? Are we going to get rent relief if property taxes go down? I don't think so. We pay property taxes in our rent every month and we get a 3% or more increase every year. My rent went up in October a \$120. My rent next October is going to go up another \$47.

Let's see. Where are we get rent relief? There is no rent control. Those people that are too rich for Section 8, I think it's Section 8, but too poor to have rent increases like that every year. The property tax monthly goes up because of school expenses. Why can't we -- why -- I can't read my own writing. Why do we have to pay salaries of \$100,000 or more to teachers who only work six months a year? Why are there so many superintendents? What's wrong with consolidation where we can pool money being spent for books and this and that, that every district has to spend. Instead of spending it separately put it all together and get better discounts.

Why are -- then there's early retirement. You get a teacher who's worked 20 years. You say to her, well, you can take early retirement. And then when it's told to the public they say, well if we retire this teacher who's worked 20 years, then we can hire another teacher who doesn't get as much money. So you're paying two people for the same job, including retirement benefits.

Why can't apartment -- what are apartment people, renters going to do if you implement an income tax? Is our rent going to go down because there's no more property tax and the apartment owner's income goes down -- not the income, but their expenses go down? Or are we going to be paying income tax plus the property tax in our rent?

P.O. LINDSAY:

Your time is up Ms. Ormandy. And --

MS. ORMANDY:

Okay.

P.O. LINDSAY:

This Commission didn't recommend an income tax.

MS. ORMANDY:

I know. But something has to be done for the apartment renter. I live in a complex of senior citizens and we're going to have to move. We just -- I just had three people move out of my building because of the rent increases. They moved down to Florida, where I know my upstairs neighbor is going to buy a nice house where he can live in a nice house as opposed to a three bedroom -- a three room apartment for less than what it's costing him with the rent increase. And I can't afford to move, but I'm not going to be able to afford to live in the apartment where I live now, either. Where am I going to go?

Applause

P.O. LINDSAY:

Thank you. Gerard Stoddard.

MR. STODDARD:

Thank you very much, Mr. Chairman and members of the commission. I'd like to comment very quickly from two perspectives. The first is on behalf of the second homeowners. I'm President of the Fire Island Association. About 95% of the 3,850 people who live on Fire Island or households on Fire Island are second homeowners, mainly from Long Island, New York, some from Jersey and Connecticut. But generally they're from around the region.

Your report shows the importance of second homeowners to the regional economy. Robert Lipp worked on a study a couple of years ago on the importance of beaches to the Suffolk economy.

Second homeowners provide enough economic revenue to the region to support a fair size number of businesses and their employees.

It's important that these homeowners, these second homeowners be permitted to vote in how their school taxes in particular, but all their taxes are used. And briefly, not having a kid in the school does not mean you have a dog in the hunt. There is some real concerns and interests that second homeowners have in these questions that should be -- it should be heard. So what we're talking about essentially is the right to vote in these. The rules of voting are very important.

And the second point I'd like to comment from is from the standpoint of beach erosion control districts. I think you're going to be hearing more and more about this from beach property owners around the south shore from all the way out on the south shore. Mr. Lindsay said before that the chief occupation of Suffolk County residents is shopping. And after they go shopping they go to the beach and the people who come and visit them go to the beach. The beaches are the big attraction, as I was saying before. And it's certainly the attraction of the second homeowners.

This is a question when you are looking at ways of reducing taxes, I would just like to bring to the commission's attention the fact that some districts are going to serve the purpose of lowering taxes on other parts of the tax paying public in order to provide a special benefit to everyone. A beach erosion control district for Fire Island is an example of this. This will be the year of the Fire Island Inlet to Montauk Point Erosion Control District. This has been pending -- a federal project that's been pending since Dwight Eisenhower was President. Suffolk County is a key partner in this.

P.O. LINDSAY:

Mr. Stoddard, your time is up.

MR. STODDARD:

I'm sorry.

P.O. LINDSAY:

And although your testimony is important to us, I don't know how the applicability is to school taxes, talking about an erosion.

MR. STODDARD:

I'm sorry. I thought we were talking in general about districts, but I can certainly, if it would be convenient to the commission, I will submit my comments in writing and --

P.O. LINDSAY:

That would be wonderful, and I would encourage you to come before the Legislature in the whole under the public comment to share your comments and thoughts with us.

MR. STODDARD:

Okay.

P.O. LINDSAY:

Thank you.

MR. STODDARD:

I was all finished anyway.

P.O. LINDSAY:

Okay. Walter Poggi.

MR. POGGI:

I guess it's good afternoon now. Thank you. My name is Walter Poggi. I'm the President of Retlif Testing Laboratories. We're an independent laboratory headquartered in Ronkonkoma, with

branches in New Hampshire and Pennsylvania. But I also -- I'm representing the MacArthur Business Alliance, which is a trade group representing businesses around MacArthur Airport.

We submitted testimony both to this commission and to the School Expense Efficiencies Commission, which was mentioned many times today. And I think that really speaks to where the businesses are coming from. This is not a single issue. I commend this Commission on what you did. I briefly looked at the report and I was really impressed with some of the issues that you brought up and you're talking about. But there has to be some drive for efficiency here. There has to be some reduction of cost. If we looked at it right now, you have -- as a business you have escalating expenses and diminishing customers. So you have to do something. You have got to lower expenses here. It's not a question of tax, it's a question of how we lower the tax. We say a rose is a rose is a rose, it doesn't matter which pocket you take it out of.

You talked a little bit about shifting to businesses, some expenses. Every time you raise a tax and my employees have to pay more, guess who's paying it? I am. So when we look at economic growth and economic development, it's the businesses that create the money here and you need to be sensitive to our expenses. I think this is a great start. The sense of urgency that I've heard from everyone is very important And I think we're on the right track.

But I do have a very brief letter that I want to read to you. This was a tough one for me because this was someone we recruited. And -- a mechanical engineer making \$75,000 a year. We pay full major medical including for the family. We gave out a 1 1/2% fuel increase this year to help with the fuel tax. And this is what happened. I don't blame this gentleman. He was in my office in tears.

"Dear Mr. Poggi, As my wife and I enter our fourth year of marriage, we are seriously considering starting a family. Unfortunately, due to the economic strains living on Long Island has put on us, we feel we must start a new chapter outside of our childhood homes on Long Island. As you know, we recently moved back to the Island after a brief stint in the Midwest. At the time we were excited to get back with our family and friends and the beauty in which Long Island has to offer.

With the engineering position you provided me at Retlif and my wife's working in her field, we felt it would be possible to raise our children with the same opportunities and benefits we had growing up on Long Island. Our optimism helped us get over the sticker shock of housing and the absurdity of taxes here for a short period.

As we continue to investigate the economics of raising a family on Long Island, it's become apparent that we would constantly be under the bombardment of higher taxes and expenses, while receiving less services and comforts that are norm in other parts of the country. This realization pushed us to seek starting our family elsewhere."

This is what's happening. I recruit somebody from Detroit, bring them back to Long Island and because of the circumstances here we lose them. And this is a 28 year old mechanical engineer that we've lost. So, we need to do something. We need to do it now. Taxes may be appropriate in some areas. But we need to cut expenses. Thank you very much.

LEG. NOWICK:

Thank you.

MR. LIPP:

Can I say one thing? Excuse me sir, just for your information, you know, what we are talking about obviously is the expenditure side.

MR. POGGI:

Right.

MR. LIPP:

And there is another commission, which I happen to be a member on, and I know that I have a copy of the submittal that you had --

MR. POGGI:

Right.

MR. LIPP:

-- which really relates to expenditures on pile number three, on desk number two in my office --

MR. POGGI:

Right.

MR. LIPP:

-- so, not that I'm promising anything, but I'm fully aware of, you know, your comments.

MR. POGGI:

Well, we are all in this together. There's those of us in the business community that are very dedicated to Long Island. I'm not planning on retiring anywhere else. We need to make this work together. Thank you.

LEG. NOWICK:

Thank you. John Conroy. Is John Conroy here? Once again, John Conroy? Okay. Graham -- I think it's Kerby.

MR. KERBY:

It is. Good afternoon. I'm Graham Kerby. I live in Setauket in the Three Village Central School District. Today I'm representing LIFA, that is Long Islanders for Educational Reform, a grass roots reform group. I'd like to make some comments. I literally just wrote this so it may not be as succinct as I'd have liked. So, if you could let me know when I'm going over the limit.

Can I first congratulate you on your efforts in touching what is essentially a third rail issue. On the positive side, let me thank you for rejecting an income tax, which is not a good idea. And as you say, just can't be implemented given the current structure. On a more critical note, I feel I must unfortunately say that your suggestion of new taxes is a disastrous step in the wrong direction. As the -- one of the most heavily taxed regions in the most heavily taxed state in the nation, the last thing we need is more -- yet more taxes.

This call suggests to Albany -- this suggestion to Albany can only fuel this tendency to solve problems caused by excessive taxes to raise taxes even more, which thought leads to your reflected call for more State money. When I hear people say that, my response is are you mad? Do people think -- do these people think that Spitzer, Governor Spitzer has inherited a gold mine or a hidden treasure which greedy and miserly Pataki hoarded.

Albany gets this money from us quite literally. We send to Albany far more than we get back. To ask for more money from Albany is ask -- is to ask for higher taxes on Long Island. With additional problem that for every new dollar we route through Albany, Albany and Upstate takes up enough inconsiderable amount for themselves. You might more sensibly but futilely ask for a redistribution of State dollars. This is not going to happen until hell freezeth over, and probably not then. More usefully we might forceably ask our Albany representatives to start playing hardball. They should quite literally bring Albany to a standstill until we get at least some relief and real solutions to our school tax problem.

As for decreasing State aid, expressed as a percentage term of our school budget, of course it's decreasing. One problem is that the health care unions that push the teachers' union aside and may

-- which would formally go to education is now going to a bloated health service. But more generally, at least in my district, I think everywhere school budgets are going up 8% a year. Very high numbers. There is no way that State aid can increase at that level. State aid comes from State taxes. In the long run State taxes can only go up the same amount as the economy grows, which is here is lower than average for the nation, only a couple of percent. It's just not going to happen.

Now, let me say something that I cannot emphasize enough, given the history of our state, the dynamics of the situation --

P.O. LINDSAY:

Could you wrap up, Mr. Kerby?

MR. KERBY:

Okay. We should fear, very much fear, a state income tax on the rich because we're the rich. We need to start looking at the problem in the long-term. It's excessive costs in our schools. Just compare our school districts to even something like Suffolk County Community College, where they do a much more efficient job.

In the short-term, as the gentleman here said, national trends are exacerbating our problems in that the private sector is shifting pension and fringe costs to the employees. The schools are not doing this. They need to get with the program, 401(K)s. We need to have new salary structures and benefits for new hires. In the short-term, we need a tax revolt. We need to vote our budgets down in May and force the issue to a crisis. Thank you very much.

Applause

P.O. LINDSAY:

Fran Gorman. Frank Gorman. I'm sorry.

MR. GORMAN:

Frank Gorman. Hi, everybody. I'm also a member and one of the founders of LIFA, and I'm with the Nesconset/Sachem Civic Association, Mr. Byrne here, And I'm only speaking for myself because I'm going to sound ficked.

I believe I heard Mr. Fitzpatrick say it best. It's the spending. And I agree with him. But at the same time as this gentleman pointed out, we're not necessarily getting a fair amount of aid and the State is not giving the same type of aid towards education as a lot of other states or as it did in the past percentally. Now as I say that, understand we're still getting more State aid and it is going up faster than the rate of inflation, but we are spending much more than the rate of inflation. So, now I just confused everybody and I'm sorry.

But that's exactly the way I feel. We got to get more money from the State but we also got to get our hands on the spending. We -- several friends of mine have put together a plan and we will be presenting that at the next legislative meeting, with some very excellent ideas, where the County can step up to the plate and actually help save money. But we'll save that for that meeting.

I want to talk to you about a couple of things I see here that I kind of disagree with, they just need to be added a little bit to. For example, you talk about unfunded mandates. The underfunded mandates are much more of a problem than unfunded mandates. Unfunded mandates may be something like you have to have fire extinguishers, things like that. You have a couple of education unfunded mandates but you have a lot of underfunded mandates.

So, I suggest that you look at underfunded as well as unfunded. I'm sure that most of the education people here would agree with me that that's a good point.

Now secondly, you're talking about increasing the fund balance, the 2% fund balance to four. Well, I would go along with that provided that a school district can -- if it uses fund balance to reduce taxes it must use it whether the budget passes or fails. This is why you can have a 14% tax increase for a passed budget and a 14% tax increase for a contingent budget and that's with 2%.

Also Legislator Lindsay and Nowick, I know the school districts in your community, I happen to be one; Schem. Schem has right now \$32 million of tax payer money sitting in its accounts and its -- oh, the fund balance. The unencumbered fund balance. They just paid back \$6 million because the budget passed. If the budget didn't pass, they would have kept that 6 million and they would have reserved it and rather than having \$28 million we would have had \$34 million. Now that's approximately \$12,500 per ratepayer. And I'll tell you that's going on in every single school district.

So you have to say to yourself, if you're going to turnaround and increase the fund balance, why do we need reserves? Are we going to tie them in or not? I mean I have -- we have \$15 million in reserves for the TRS. We had an extra 4 million this year they didn't know where to put it in the reserves so they put it in the compensation fund. Our compensation fund is at \$5 1/2 million right now.

These are the things that you have to need to know before you make a suggestion like this and I would very much like to, you know, present you with the information on your own school districts so you can see yourself exactly why it may not be a good idea to leave it like this unless we tie into it, the fact that if they use fund balance to reduce taxes it is used whether the budget passes or fails. Thank you very much for your time. Anyone have any questions?

P.O. LINDSAY:

No. Thank you.

Applause

P.O. LINDSAY:

Charlie Richardson.

MR. RICHARDSON:

Good afternoon. Thank you for the opportunity to address this body here. As you know, I've been giving testimony to the other task force. But what I want to say is that your hear it glibly stated that the Long Island schools are the best of all possible worlds. Anything that I say is going to be not to demean the work of any dedicated local educators, but to examine the flaws in a system that is rendering their effects less efficient than they otherwise would be.

I've been picking up the pieces for 30 years. The problems that are engendered by the very defective curriculum that comes down to us from on high and is based more on ideology than on science. When you look at a situation where we spend more money on our education than any country in the world and yet our standings in the global and the global comparisons are someplace in the lower third. So, it just doesn't make sense. We must conclude that either we have a defective gene pool, or that the system is not as functional as it should be. Now which one of those will you buy and, which one can you do something about?

Now, what we're also looking at is community colleges who have -- are faced with graduates of our schools that 50% of them can't do college level work. And this degrades our cause elsewhere.

We're also looking at the fences of a new jail for \$200 million or so of whom half of the inmates are illiterate. And this is especially true of the populations that are on their way into the jail, the kids that are on probation or community service. Police in both counties are fully aware of the connections between illiteracy and violence but they haven't been able to get the cooperation of the education systems to get earlier intervention going so that we can reap the benefits both ways, both for our citizens who are paying the taxes and the citizens who are being incarcerated.

The Suffolk -- the Suffolk Life headline just a few weeks ago was it costs a \$100 a day to keep an inmate incarcerated. That works out to \$73,000 a year. And I think the testimony that I've given to the other task force should be very carefully examined because the level of need for reform goes all the way up to teacher education. I have participated in teacher education from both sides of rostrum, and I've been picking up the pieces otherwise for over 30 years. With that said, I know that others attention isn't going to be given, so thank you very much.

P.O. LINDSAY:

Thank you. Thank you, Mr. Richardson. Robert Newman.

MR. NEWMAN:

Good afternoon. Robert Newman, Patchogue-Medford. I'm a member of the legislative committee. I just have two quick questions for you. It's a great report, I think it's a lot of stuff that a lot of us knew already.

One of the things mentioned here, I think you mentioned it, is the fight in Albany. And I'd just like to know what we're going to do differently this year than in previous years, because that's really, I think, what we're talking about.

The second question is what I can expect once I leave here today. Is this the group that's advocating up in Albany, or is there a group that's advocating? Are there bus loads of people going up to Albany to scream and yell at the capital steps or what exactly is going to come on next? Thank you.

P.O. LINDSAY:

At the conclusion of this meeting today this Commission will be dissolved. They've served their mission. The report will be sent to every State Legislator as well as the governor. It will be sent to every school district as well, and we'll distribute it as widely as we possibly can. And the hope is that this, along with the other commission's report, which should be coming out in two months, along with the governor's initiatives for reform, along with some of the Senate initiatives that have already been proposed, along with some of the Assembly reforms that were announced today, will gain momentum and will effectuate change. Whether it be this change, the governor's change, the Assembly's -- we need change.

MR. NEWMAN:

Right. There's a number of -- yes.

P.O. LINDSAY:

The status quo is no longer acceptable.

MR. NEWMAN:

I agree with you. There were a number of things on there that said we had to do -- I think the most important is the unfunded or not funded at all mandates. I don't think it makes a difference which one. We're told to do things and then they're not paying us the amount it costs to do them. Is there a priority list that somebody's going to go through and say, like you said, I think one of the sides of the Upstate approved one of the items that's on your list, but then they did -- the other -- the Senate didn't pass it. Or --

P.O. LINDSAY:

Well, what procedurally, what I asked before from the Assembly people that are in the audience, any legislation that will effectuate change that fits within either these suggestions or other suggestions that make sense, I will personally sponsor a memorializing resolution in Suffolk County and see if I can get my colleagues to go along with it to add our voice as a local body to the fight that our Assembly people and our Senate people are going to carry on in Albany. You know, I don't -- okay.

MR. NEWMAN:

I just want to just try to see if I can do anything. If there's anything I can do that can make this any different than every year before us that nothing seems to ever happen.

P.O. LINDSAY:

Well, I think --

MR. NEWMAN:

Because we know these things, these things have been going on.

P.O. LINDSAY:

I think that's a great point. And I think that dialogue has to continue in every hamlet in Suffolk County, in every school district.

MR. NEWMAN:

This is why I'm a member of the legislative committee of my district.

P.O. LINDSAY:

Wonderful.

MR. NEWMAN:

Unfortunately, there's only three residents that are members of that committee and, you know, people don't turn out to school board meetings so there's apathy. So if I can sign up for a list --

P.O. LINDSAY:

Thank you.

MR. NEWMAN:

-- a bus load going to Albany to scream and yell I'll -- you can have my name and I'll be there.

P.O. LINDSAY:

Thank you. And Legislator Nowick would like to add.

LEGISLATOR NOWICK:

And a quick suggestion, because I don't think it could hurt, for you and your family and your friends and your neighborhood and for all of you, your family, your friends, everybody you know, elected officials are there to hear your thoughts, your suggestions, your problems. Keep the calls and letters into your State officials.

MR. NEWMAN:

I met one of them yesterday on this topic.

LEG. NOWICK:

But if you can pass that word along, I think that that would put the pressure on.

MR. NEWMAN:

Thank you.

P.O. LINDSAY:

Thank you. Stan Feldman. Stan, you're still in the room?

ASSEMBLYWOMAN FIELDS:

He left.

P.O. LINDSAY:

No, he didn't. He's right there.

ASSEMBLYWOMAN FIELDS:

Oh there he is. You moved.

MR. FELDMAN:

Yes. You can't hit a moving target. Good afternoon, my name is Stan Feldman. For the last three years, I have sat on the Budget Advisory Committee of the Connetquot School District. We will be starting our first session tonight. And I probably will be given the budget, the proposed budget for the coming year to go over line by line. And it should be about that thick. And you go through many of the departments and many of the expenditures. And that's the key word, the expenditures. The majority of the expenditures that you look at in a budget, in the school budget, there isn't a thing you can do about it. There are salaries, you can't cut them, they're union. There's utilities. You need lights. You need heat. You can't cut them.

But a very big portion are, and as was mentioned before, the unfunded and the underfunded mandates that come out of the State. For example, if there is a sex offender in the district, the school district has to pay to have everybody in that area notified. It's mandated by the State. There is no compensation from the State for it. And there are many other items. Consolidation. Now, I understand that County Executive Levy has a commission on that, looking at consolidation, am I correct? There have been discussions?

P.O. LINDSAY:

Yes.

MR. FELDMAN:

We have I believe 71 school districts in Suffolk County? That number correct? Sixty-nine? We lost two? Good. We need to lose a hell of a lot more. And the rationale that I hear for not consolidating school districts, is well gee, we got a football team over here they've been, you know, friendly enemies for years, how can we consolidate?

New York City has consolidated. And yet you have an awful lot of competition. I came out of Bronxville, Thomas Jefferson. Our competition was Boys High and Samuel Tilden. All right? It was consolidated. So how many superintendents' salaries can we do away with? How many administrators do you need? Consolidation.

Income tax is not the way to go. Reassessment is not the way to go. The STAR Program; I laugh at it. I own a villa in Sarasota Florida. And unfortunately I'm not homesteaded because I'm homesteaded here. My villa went from \$2,500 to \$3,100, our taxes this past year. You do the math on the percentage. Okay.

Connetquot School District, in the last three years we've been very good. The Budget Advisory Committee has been a very active committee. My school taxes this year went up only 5%. Not bad. My total taxes went up total \$1,000 this past year for my home. Twice the amount on a \$3,000 tax bill in Florida. My tax bill here is \$14,000 a year. Thank you. I heard the beep.

P.O. LINDSAY:

Thank you, Stan. I appreciate it. And I believe the last comment, Deputy Presiding Officer Viloría-Fisher would like to add the last comment. And we'll wrap this up before everybody leaves.

D.P.O. VILORIA-FISHER:

Thank you, very much Mr. Presiding Officer. And thank you to the Commission for the excellent work that you've done with this presentation, and the inquiry that I think is valuable here.

As a Commissioner on the Affordable Housing Commission for the County, I will just repeat what has been mentioned by some of the people from the public who have spoken that we can speak about

the cost of housing and working on the affordable housing and then the cost of the house itself, but until we grapple with the real estate taxes that are being paid on those homes, we won't have affordable housing in Suffolk County.

A couple of years ago I attended a national conference in Portland. I was sponsored by the Rausch Foundation to attend this. And many of the issues that we face here in Suffolk County are not unique nationally. You know, the deterioration of downtowns, transportation issues. But one point that I saw that made us very unique happened when I was discussing with people the number of school districts that we have in Suffolk County. And whenever I did mention that we had over 120 school districts in Nassau and Suffolk County, that made us quite unique. It was something that was unfathomable to the other attendees who were at this national conference.

And so I really believe that we do have to take what our Assemblyman has said, what Assemblyman Fitzpatrick has said, that we have to look at the expenditure side of it, as well as the income side of it. We do have to have New York State step up to the plate and send back some of the money that we send to Albany. We are really not getting our fair share. I'm very pleased to see that there are a number of initiatives being taken by the Assembly and the Senate to help alleviate the burden of the homeowners here in Suffolk County.

And again, I congratulate you for the work that you've done. I'm a little disappointed that the income tax issue isn't -- isn't -- doesn't seem to be tenable at this point. I was very intrigued by what Assemblywoman Galef, am I saying that correctly, had mentioned about a blend. This is where I thought we would be going with an income tax, a look at the income tax, blending the two taxes. And I thought that the proposal by Harvey Levinson was very intriguing. Again, that looked at a blend as well, so that we would be able to take a hard look at what is occurring with regard to second homeownership and income tax there, and blending those.

I believe that although this commission will not be working together as a commission after today, I hope that you remain engaged because I think that we've raised a lot of questions and there's still a lot of work ahead of us. But you've done a great job and I believe that I think the most important job is that you've articulated our questions and you've articulated our issues very, very well. Thank you very much. Thank you, Mr. Chair.

P.O. LINDSAY:

Thank you, Legislator Viloría-Fisher. With those comments our work is done. Yours is just starting. And officially, the Homeowners Tax Reform Commission is dissolved. Thank you very much.

ASSEMBLYWOMAN FIELDS:

Legislator Lindsay, I just to add on behalf of the State elected officials, thank you very much, all of you, on the panel for your hard work and for holding this today.

P.O. LINDSAY:

Thanks.

[THE MEETING WAS ADJOURNED AT 12:50 PM]

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