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## **IDA Tax Breaks Drain \$1.8 Billion a Year from NY Schools, By Far Most in Country**

Legislators, Unions, Advocates, and Faith Leaders Say ENOUGH

**Albany, New York** — A [recent analysis from Good Jobs First](#) shows schools in New York State lost at least \$1.8 billion in fiscal year 2021 to Industrial Development Agency (IDA) tax abatements. That makes New York schools by far the biggest known losers to corporate handouts.

Senator Sean Ryan and Assemblymember Harry Bronson introduced legislation earlier this year ([S.89/A.351](#)) that would prohibit IDAs from abating the school share of property taxes. Unions, advocates, good government groups, and faith leaders joined the bill sponsors at the Capitol today to urge state leaders to address this glaring problem and pass this bill. The groups lamented the fact that schools and students still have so many needs that are going unmet while we are doling out school property tax abatements to the likes of Amazon, Costco, and other tremendously profitable companies.

The report also showed a disparate impact on schools with higher percentages of students of color. Tax abatements cost an average of \$541 per pupil per year among the affected school districts in the study, which puts New York in the country's top five. But that average masks a wide range. For example, losses are just \$3 per student per year in West Genesee, where the student body is 85% white, but over \$5,000 for Peekskill, where nearly nine out of ten students are of color and over three-quarters qualify for free or reduced-price lunches. And from \$5 per student per year in Hoosick Falls, which is almost all-white, to \$2,000 per student for Uniondale where almost all attendees are of color.

The groups want this bill moved now, but made it clear that if the bill does not pass in the remaining days of this session they will be organizing to ensure that it is given the priority it deserves in the coming session.

**Senator Sean Ryan** said, "There's an overwhelming amount of evidence that IDA subsidies provide municipalities with a poor return on their investment. When IDAs waive taxes meant to go to school districts, they are making bad bets with money meant

for our children. With school districts engaged in a constant battle for the resources they need, preventing IDAs from taking money out of their pockets is an easy way to close budget gaps and support education.”

“Public education is the key to ensuring equitable opportunities to all children of all backgrounds. That is why I have fought so hard to secure funding for our schools and for our children. Public education is largely funded through real property taxes. Schools rely on this revenue, yet they lose it when IDAs reduce business property tax obligations. These IDA deals are made without consulting the taxpayer or the school districts, and benefit businesses on the backs of our students. The report from Good Jobs First shows the damage to school funding and the educational process when IDAs are in place. The report is a clarion call to action, and I am pleased to sponsor this vital legislation introduced with Senator Ryan,” stated **Assemblymember Harry Bronson**.

“With this year's budget, New York public schools are finally getting the long-promised funding they deserve. NYSUT supports any measure that prevents critical school funding from getting diverted away from where it's needed most: our students, educators and communities,” said **Melinda Person, President, New York State United Teachers (NYSUT)**.

**Ron Deutsch, director of New Yorkers for Fiscal Fairness** noted, “We are sounding the wake-up call for legislators and parents alike. Nearly \$2 billion in school property tax revenue is being diverted from our kids’ education and given to wealthy corporations. This must stop! Kudos to Senator Ryan and Assemblymember Bronson for introducing legislation that would prevent IDAs from doling out school revenue like candy and giving away our kids’ future.”

“There is a mountain of rigorous, independent research showing that IDA tax abatements and other corporate giveaways do not work. It's a disgrace – just utterly shameful – that New York's local IDAs are allowed to drain \$1.8 billion a year in public revenue that could be going to schools. The legislature and governor need to take a clear stand: support schools or keep bowing to crony economics and pay-to-play,” said **Elizabeth Marcello, Senior Research Analyst, Reinvent Albany**.

“New York IDAs are wasteful and corrupt from top to bottom. Passing legislation to stop them from stealing billions from our public schools can and should be the first step towards reform,” said **Michael Kink, Executive Director, Strong Economy For All Coalition**.

“Study after study illustrates that the smartest investment we can make is in the education of our young people. Giving billions away as corporate handouts through IDA tax abatements is shortsighted and will do nothing to help build a brighter future for New York’s children and working families. At a time when students are still struggling to overcome the challenges of the pandemic, our priority needs to be grounded in the proven track record of education, not giveaways to corporations,” said **Jasmine Gripper, Executive Director for the Alliance for Quality Education.**

“This legislation would start the process of reforming IDAs in our state. Our union represents nearly 400,000 public sector workers in New York, including over 70,000 who work in support positions in school districts across the state. We’ve seen the disastrous impact of starving public services. Our schools need more bus drivers, cafeteria workers, and teacher's aides, not more corporate subsidies,” stated **Brian McDonnell, Political and Legislative Director, AFSCME New York.**

“Far too many IDAs are reliant on antiquated economic development models that have proven to be limited in their ability to create jobs and long term economic stability,” said **Rashida Tyler, Deputy Executive Director of NYS Council of Churches.** Our schools and youth should not be short-changed for the benefit of those who take the risk of opening a business, especially when there are innovative strategies that promote community and people centered development. We have a moral duty to do what is right for our children and our future, diverting funds from our schools and communities – is not it. The legislature has an opportunity to take action and make change happen this session.”

**Greg LeRoy, Executive Director of Good Jobs First,** who authored the analysis, said, “It’s time for New York to stop giving the public’s money to projects that fail to improve their lives. Short of ending the use of corporate subsidies, which is the ideal choice, lawmakers should ensure students aren’t harmed by the giveaways. States like Florida and Alabama shield school revenue, and New York should do the same.”