

September 6, 2024

Hello,

I am writing as a forty-three year-long resident of the Ithaca City School District and a current Alderperson of the City of Ithaca Common Council.

Our school district, like our city and county, perennially struggles to raise funds for critical services, and this is in large part because Cornell University holds about \$3B worth of land that is currently non-taxable in the city alone. When they proposed a 12% increase in their levy this year, there was a spontaneous explosion of anger and an immediate vote no campaign. For the first time in decades, our school budget was voted down. Their next budget, required a \$6-8M cut to get to below the tax cap. Anything higher risked another no vote.

I wrote at length in the attached article about our “tax exempt” problem two years ago. Cornell’s voluntary contribution to the school district totaled \$650,000 this year. They spent over \$700,000 on a one-day end of classes all university party. This illustrates how we cannot depend on their benevolence to solve our funding crises.

I do not know how the formula works but I do know that property owners here pay extraordinary local taxes to try to make up for the 60% of property in the city alone which is off the tax rolls. If Cornell were to pay its fair share, meaning the same tax burden like the rest of us, they would owe the Ithaca City School District \$48.7M this year. They would owe the city \$35.9M, and the county \$15.9M. All together about \$85M. That is a gap the residents of this town with average salaries about \$50K cannot afford.

Longtime residents are being forced to sell and re-locate, young families cannot buy in because the taxes are a second mortgage, seniors are fiscally stressed, and rents are correspondingly ridiculously high matching what one would expect to pay in a major metro area (\$1800+ for a one-bedroom).

Please help us make this fact known. Tax exempt property, especially large amounts held by what are essentially multi-billion-dollar corporations, is crippling communities. We need a new formula that adjusts for that enormous missing piece. And Ithaca needs to be seen for its true financial capacity. Paying upstate local property tax bills totaling \$15-, 20-, 25,000+ is unsustainable and outrageous. We need and deserve our fair share of state aid. We need a formula that factors in this enormous gap of resources, and ultimately, we need the state to re-define what parts of a university are truly for educational purposes and which are solely profit-making. When universities are making literally billions of dollars of income on their endowments and paying no taxes, we all get hurt. This needs a fix. The ultimate fix would be to not fund education with property taxes! Who will start making this case?

Thank you for digging into this problem. I would be happy to provide additional information if you would like it.

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