

Memorandum of **OPPOSITION**

Repeal of Federal School Bonding and Refinancing

The New York State School Boards Association (NYSSBA) *strongly opposes* the federal tax proposal to repeal provisions of law that authorize certain school bonds and other tax-exempt financing.

School bond programs are an essential part of community and educational investments. They help facilitate infrastructure improvement and create jobs across the state. The elimination of these provisions would negatively impact New York's school districts and local and regional economies.

Specifically, Section 3603 of the federal tax plan would repeal tax credit bonds, including the Qualified Zone Academy Bond (QZAB) program that provides up to \$400 million annually in bond authority to states and school districts for school infrastructure repairs and modernization. Section 3603 would also repeal school construction bonds (QSCBs) that support new school facilities construction projects, as well as qualified energy conservation bonds (QECBs) and new clean renewable energy bonds (New CREBs). These programs are cost effective and used by school districts to repair, build and modernize our schools and classrooms and provide cost-effective energy services.

Sections 3601 and 3602 would eliminate private activity bonds and advance refunding of bonds, respectively. Through advance refunding, school districts can refinance outstanding bonds at lower interest rates. The savings generated can help school districts invest in much-needed programs and services without increasing overall costs and/or reduce the property tax burden on its community.

For these reasons, NYSBBA *strongly opposes* the above referenced proposal and calls for its immediate rejection. For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.