FOR FEDERAL, STATE AND COUNTY LEGISLATORS

Unlock the homes, keep the teachers.

This spring Rockville Centre balanced its school budget by cutting about 22 teaching positions and 40 teaching assistants. It did so in a village whose median household earns $151,938 and whose homes carry a median value near $820,000.[1,2,7,8]

The problem is not wealth. It is that **the homes stopped changing hands.** 28% of owner households were headed by someone 65 or older in the ACS 2020-24 estimate,[7] enrollment is down about 7% in a decade (257 fewer students),[3] and the seniors who *want* to move face a wall of federal tax penalties, benefit-timing traps, and missing downsize inventory. Every lever below is carrots only. **No senior loses a benefit.**

THREE ASKS, EACH WITH A LIVE VEHICLE

1 Federal: end the home-sale capital-gains lock-in

Cosponsor **H.R. 1340 / S. 3332** (More Homes on the Market Act): double the §121 exclusion to $500K/$1M and index it, unchanged since 1997. AEI: about 1.9 million senior-owned homes are locked above today's caps.[9,11]

2 State: make benefits move when seniors move, and let them defer

Advance **S3309/A5288** (keeps a senior's exemption in the year of a move). S3309 cleared Senate Aging 7 to 0 in April 2026, then died in Finance; A5288 never left committee. The 2027 ask is to support reintroduction and advancement, take a staff briefing, and request a fiscal note. Enact a **senior property-tax deferral** enabling act on the Oregon and Massachusetts model: taxes accrue against the home, paid in full at sale.[12,13]

3 County and local: data before dollars

Publish **parcel-level senior-exemption counts by school district** before any opt-in to the 65% exemption tier (Ch. 581 of 2025) or the $75,000 income cap arriving July 2027, and fund a Silver-to-Gold downsizing pilot.[12,14]

What just happened in Rockville Centre's schools

An A-rated district, four-year graduation rate 98% in 2023-24,[4] chose between classrooms and solvency.

JAN 29, 2026

District projects a **$3.78M deficit** for 2026-27: health insurance up about 10% (roughly $2M), out-of-district special-education placements projected at $6.38M, total revenue growth only about 1% (roughly $1.4M).[1]

MAR 2026

The state levy **cap base holds at 2%** for a fifth straight year, against a 2.63% inflation factor. Reserves are thin: unappropriated fund balance $4.8M, 3.5% of budget against a 4% statutory ceiling; appropriated fund balance falling $2.8M to $1.6M.[1,5]

APR 16, 2026

Board adopts a **$141.32M budget (+1.03%)**, levy up 2.06% (about $2.25M), closing the gap chiefly by eliminating **22.2 teaching, 40 teaching-assistant and 1 administrative position** against 13 facilitator posts restored: a net 50.2.[2]

MAY 19, 2026

Voters approve it 1,915 to 1,195.[2]

01 · POSITIONS CUT

–50.2

Positions cut for 2026-27, net of 13 restored. A floor: further cuts uncounted

OUR SUM OF LI HERALD DATA

02 · ENROLLMENT

–7%

K-12 since 2015-16 (3,533 to 3,276; 3,260 projected for 2026-27)

NYSED

03 · REVENUE

+1%

Total revenue growth, against $2M for health insurance alone

DISTRICT

04 · RESERVES

3.5%

Unappropriated fund balance (statutory max 4%)

ASST. SUPT. · FEB 2026

THE BURNING PLATFORM

Nassau's school districts were built and staffed for more young families per capita than the population has aged into.

Under a 2% levy cap, that mismatch balances only three ways: override votes (a 60% supermajority on some of America's highest property taxes), recurring cuts (already happening: a net 50.2 positions at RVC), or a bigger physical tax base. Miss the turnover benchmarks and the sequence runs: overrides, then program erosion, then closures (Northport shut two elementaries in 2021; Long Beach parents fought one off in 2025), and the home-value premium that justifies RVC's taxes erodes with the schools. School quality capitalizes into prices (Black 1999, QJE).[19]

And RVC is the rule, not the exception

61% of Nassau's school districts lost enrollment over the decade to 2025 (Nassau BOCES data, LI Herald, April 4, 2025); Long Island public-school enrollment is down 6.3% since 2017. Hewlett-Woodmere cut 11 teaching positions for 2025-26; Oyster Bay-East Norwich is down 16.5% since 2015; Locust Valley projects 15% lower by 2027-28 (2,034 to 1,725), and on May 19 became **the only Nassau district whose 2026-27 budget failed** (850 to 765; revote June 16).[6]

The village aged in place, and the homes stopped turning over

01 · SENIOR-OWNED

28%

Owner households headed by someone 65+, 2,081 of 7,444

ACS B25007 · 2020-24

02 · SENIOR SHARE

20.1%

Of all RVC residents are 65 or older

ACS S0101

03 · HOME VALUE

$820K

Median RVC home value (ACS 2020-24 $818.7K; Zillow agrees)

ACS B25077

04 · SENIOR INCOME

~$80K

Median 65+ household income, against $151.9K village-wide

ACS B19049

About 2,081 of Rockville Centre's 7,444 owner-occupied homes (ACS 2020-24), the three- and four-bedroom houses that built the school system, are held by households past child-rearing age.[7] Nationally, empty-nest baby boomers own **28% of large homes; millennials raising children own about 16%** (Redfin, 2026 refresh; 28.2% and 14.2% in 2024).[8]

HOUSEHOLDS WITH SOMEONE 65+ KEEP RISING; HOUSEHOLDS WITH KIDS DO NOT

NASSAU · ACS 2019-23

38.9%

Households including someone 65+

NASSAU · ACS 2020-24

39.6%

Households including someone 65+

Share of Nassau households including someone 65+ (ACS B11007). Households with own children under 18 fell 35.5% to 34.7% over the same window.[7]

THE PIPELINE IS INVENTORY-STARVED, NOT DEMAND-STARVED

Five houses under a million dollars. In the whole district.

Supt. Kristen Turnow, Locust Valley CSD, "this is a Long Island problem, not a Locust Valley problem," on an enrollment slide projected 15% lower by 2027-28. Young families bid on the few large homes that list; the rest never list.

LI HERALD · APR 2025, READ THE ARTICLE → · 30+ MORE VOICES: /VOICES →

WHY THIS IS ALSO THE LEAST PAINFUL FIX

The alternative paths to school solvency: override the tax cap (a 60% supermajority, on top of some of the nation's highest property taxes), cut programs year after year, or close a building. Housing turnover is the one lever that adds students, relieves taxpayers, and asks no current resident to give anything up.

Four locks on the front door

What stops the seniors who want to go is concrete, and fixable.

LOCK 01
FEDERAL · CAP GAINS

The §121 exclusion has not moved since 1997

A couple who bought in RVC in the 1990s for about $250K and sells near $900K has taxable gain above the $500K joint cap; a widowed senior filing single hits the $250K cap twice as fast. AEI: **about 1.9M senior-owned homes** nationally sit on gains above the exclusions, $620B in locked value.[9,10] **Fix:** H.R. 1340 / S. 3332, double and index. 157 House cosponsors, bipartisan.[11]

LOCK 02
STATE · TIMING TRAP

Move at the wrong point in the assessment calendar, lose a year's exemption

A real, documented penalty for moving. (The deeper fear, "I lose my STAR or §467 forever if I move," is mostly *misinformation*; see below.) **Fix:** S3309/A5288, apply within 30 days of closing, keep the exemption. Cleared Aging 7 to 0 in April 2026; the 2027 ask is to move it out of Finance.[12]

LOCK 03
STATE · CASH FLOW

Fixed-income seniors hoard equity against carrying costs

Four states solve this with **deferral**: the state pays the tax, a lien accrues at 5% to 8% simple interest, the bill is settled in full at sale (Oregon, Massachusetts, Washington, Texas).[13] **Fix:** a NY enabling act for senior school-tax deferral, district opt-in, zero long-run cost to the levy.

LOCK 04
LOCAL · INVENTORY

Nothing to move into

RVC's housing stock is overwhelmingly single-family; the condo and ADU rungs of the downsizing ladder are missing, so "selling" means "leaving the village you've lived in for 40 years." **Fix:** ADU policy, right-size zoning near the LIRR, senior-priority placement in new developments.

MYTH-BUSTER FOR SENIOR CONSTITUENTS

Enhanced STAR *follows you* to any new NY primary residence (re-register, income-qualified). The §467 senior exemption applies at the new home wherever the local jurisdictions adopted it, and Nassau waives its 12-month ownership wait for seniors who held the exemption before. And because NY taxes *current value, not purchase price*, downsizing to a smaller home automatically lowers the tax bill.[14]

MORE "STAY" INCENTIVES ARE COMING, WITH NOTHING FOR "GO"

Albany authorized a 65% senior exemption tier (Ch. 581 of 2025, effective 2026) and, in separate 2025 legislation, a $75,000 income ceiling from July 2027. A century of evidence says such relief measurably increases seniors' tendency to stay put (NBER w25468).[15] Each unpaired expansion makes three things harder: **for young families**, even fewer of the 2,081 senior-owned homes ever list; **for current taxpayers**, a larger §467 pool shifts more of the fixed levy onto them; **for districts**, slower turnover means faster enrollment decline. The ask is not to oppose relief. It is to pair every expansion with a fiscal note and a mobility counterpart.

Follow one home.

A senior household sells; a young family buys. Four things happen, to four different balance sheets. None of them is "the district recaptures revenue."

01 · EVERY YEAR AFTER THE SALE — NY STATE SAVES

$2,058/yr

The Enhanced STAR credit ($3,147) becomes a Basic credit ($1,089). STAR is state-funded, so the saver is Albany, every year after.

DTF 2025 FINAL · RVC CLASS 1 · RPTL §1306-A

02 · ONCE, AT CLOSING — NY STATE COLLECTS

~$3,280

Transfer tax: 0.4% on a sale at the village's $820,000 median owner-occupied value, paid by the seller to the State (plus a 1% buyer mansion tax at $1M and up). The $820,000 is the village's ACS median home value standing in for a sale price: no source publishes a single-family median sale for Rockville Centre.

TAX LAW ART. 31 · ACS B25077 MEDIAN VALUE, 2020-24

03 · EVERY YEAR AFTER THE SALE — NEIGHBORS RELIEVED

≈$6,200/yr

School tax that stops being shifted onto every other taxpayer when a §467-exempt parcel turns over. Measured, not modelled: the average across the 49 class-1 §467 parcels on the 2025 roll whose exempt value is cleanly isolable, median $5,755, range $1,933 to $14,139. The levy is fixed; exemptions move it around.

NASSAU 2025 ASSESSMENT ROLL (DATA.NY.GOV 7VEM-AAZ7) · OSC · LEDGER #F-467-SCHOOLCOST

04 · AS THE FAMILY INVESTS — DISTRICT GAINS

257 fewer students

Rockville Centre enrolled 257 fewer K-12 students in 2024-25 than in 2015-16, so a family moving in fills a seat the district already funds. Enrollment decline is not a capacity study, and no public source measures this district's spare seats. Buyer renovations physically grow the tax base, which lawfully raises the levy cap. No public source measures how many children arrive with a given sale, so no per-sale student figure is claimed.

NYSED ENROLLMENT 2015-16 TO 2024-25 · OSC TAX-BASE GROWTH FACTOR

SCALE IT: PER 100 TRANSITIONS

$205.8K/yr	~$328K	n = ?
STAR SAVINGS TO NY STATE, RECURRING; FUNDS EVERY CARROT IN THIS DECK	ONE-TIME TRANSFER-TAX RECEIPTS TO NY STATE	§467 PARCELS RELIEVED. THE COUNTY DOES NOT PUBLISH THIS. THAT IS ASK 3.

WHAT THIS IS NOT

It is not district revenue. NY school districts levy a fixed dollar amount; exemptions shift it, they do not shrink it. *"Every exemption granted on a property shifts the tax burden to the non-exempt properties"* (NYS Comptroller), and STAR is reimbursed by the State (RPTL §1306-a). Claims that exemptions "cost the schools millions" or that turnover "recaptures revenue" do not survive contact with the levy mechanics. The district's true gains are channels 03 and 04, plus voters with children in the system (the 2026-27 budget passed 62 to 38).[16]

WRITE-UP: /FISCAL-MATH · BREAK-EVEN INSTRUMENT: /BREAKEVEN · INTERACTIVE MODEL: /CALCULATOR · BILL RECONCILER: /RECONCILE · ASSUMPTIONS LABELED · CAPACITY CAVEAT: ENROLLMENT DECLINE IS NOT MEASURED BUILDING CAPACITY

Who we're asking, for what

Bill numbers, sponsors, and committee status trace to congress.gov, nysenate.gov, and the facts and sources ledger.

FEDERAL

H.R. 1340
IN COMMITTEE · 157 COSPONSORS

Cosponsor the More Homes on the Market Act

Rep. Laura Gillen (D, NY-4), lives in RVC, former Hempstead Town Supervisor, led the SALT-relief fight, is **not yet on the bill**. A natural extension of her affordability platform (Panetta/Kelly lead; Suozzi and Malliotakis among the 157 cosponsors).

S. 3332
SENATE FINANCE

Senate companion, same ask

Sen. Kirsten Gillibrand and **Sen. Chuck Schumer**, New York's senators, to cosponsor. Frame: senior mobility plus young-family affordability in one bill (Cornyn/Bennet lead).

NEW YORK STATE

S3309 / A5288
AGING 7-0, THEN FINANCE

Keep a senior's exemption in the year of a move

Sen. Siela Bynoe (D, SD-6), RVC's state senator, is a needed partner on a 2027 path for S3309. **Sen. Anthony Palumbo** (R, SD-1), the bill's sponsor, can keep championing it. **Asm. Judy Griffin** (D, AD-21: RVC, Lynbrook, Malverne, Baldwin) can carry the Assembly companion. The request is reintroduction and advancement, a staff briefing, and a fiscal note. Add S3574 (renewal-notice protection) so no senior loses §467 to paperwork.

NEW BILL
MODEL: OR · MA · WA · TX

Senior school-tax deferral enabling act

District opt-in; lien accrues at modest interest; taxes paid in full at sale. Drafted with OSC input, the cash-flow lock (Lock 03) disappears at zero long-run cost to the levy.

COUNTY AND LOCAL

DATA ASK
BEFORE 65% TIER · $75K CAP

Publish §467 and Enhanced STAR counts and exempted value, by school district, annually

Nassau Legislature and the **Dept. of Assessment**; Leg. Scott Davis (LD-1) represents all of RVC on the 2026 map. Require a fiscal note before any opt-in to the 65% tier or the 2027 $75K income cap; fund a means-tested **"Silver-to-Gold"** moving-grant pilot ($5K to $10K).

VILLAGE + BOE
RVC

Confirm the district's own §467 posture; build the downsizing ladder

Mayor Francis X. Murray and the RVC Board of Education: publish the adopting resolution and current tiers; pilot moving assistance ($25K to $50K/yr); pursue ADU and right-size supply near the LIRR.

Now to Sept

COUNTY DATA PUBLICATION · DISTRICT §467 CONFIRMATION · COALITION LETTERS FROM THE 61% CLUB

Fall 2026

DEFERRAL BILL DRAFTED WITH OSC · H.R. 1340 COSPONSOR PUSH BEFORE THE ELECTION

2027 session

S3309/A5288 AND THE DEFERRAL ACT PASS BEFORE THE JULY 2027 $75K-CAP DECISION, RELIEF PAIRED WITH MOBILITY

None of this is novel. It is assembled from things that already work.

DEFERRAL
OR 1963 · MA 41A · WA · TX

Property-tax deferral keeps seniors cash-flow-safe; districts are made whole

The state pays; a lien, not a subsidy, does the work, repaid with 5% to 8% interest at sale. Participation voluntary. Oregon's program is state-administered and self-financing.[13]

CALIFORNIA
PROP 19 · 2020

Senior mobility wins at the ballot box

55-plus homeowners carry their tax basis statewide, up to 3 moves, narrowly approved by voters in the most property-tax-anxious state in America; the LAO scored the package revenue-positive for schools. The lesson for NY is the *politics*, not the mechanism. NY taxes current value, so our version is benefit-continuity (S3309), not basis-porting.[17]

RESEARCH
MINNEAPOLIS FED · 2024

Property taxes reduce lock-in and shift ownership younger

"How higher property taxes increase home affordability": recurring taxes capitalize into lower prices, raise turnover, and tilt ownership toward young families. NY's high property taxes mean the turnover dividend is unusually large once the artificial locks come off.[18]

RESEARCH
NBER W25468 · JUE 2021

Senior exemptions measurably increase staying put

A century of Georgia's age-based exemptions, quadruple-difference design: relief significantly increases older homeowners' retention in place. It is the rigorous version of what every Nassau assessor knows, and why the new 65% tier needs a mobility counterweight.[15]

THE ENDGAME
NORTHPORT · 2021 · LI

The endgame is current, not historical

Northport-East Northport closed two elementary schools in August 2021 (enrollment down 10.6% in six years plus a stepped-down LIPA settlement; about $7M/yr saved). Three Village consolidated grades district-wide in 2025 after a 23% slide. Long Beach is Nassau's nearest miss: East Elementary was saved by a 4,000-signature parent mobilization in January 2025, and Locust Valley's 2026-27 budget just failed outright. The cycle is now Rockville Centre's to manage, with better tools.[6]

THE MAP
UNASKED · HOT POTATO

District lines, the lever nobody touches

Why does one county run 56 districts whose lines match no town or village (RVC UFSD is not the Village of RVC) and never move? They descend from 19th-century common-school districts, and Albany already pays districts to reorganize (NYSED incentive operating aid plus enhanced building aid). Short of merger: cross-district tuitioning, BOCES shared programs, boundary-alteration petitions. Candidly the hot potato of the set, so the ask is only the *study and the data*, not the redraw. A county where 61% of districts are shrinking should not treat the map as scripture.[20]

WHAT WE ARE NOT PROPOSING

No reduction of any current senior's exemption or STAR benefit. No forced sales, no age-targeted assessments, no "empty-nester tax." Every mechanism is opt-in for the senior; most are revenue-positive for the State. The message to RVC's 2,000-plus senior-owner households: *when you're ready, the move should cost you nothing extra.*

Sources

1. **RVC 2026-27 BUDGET PROCESS:** LI Herald, "$3.78M deficit" (Feb 6, 2026); budget-scrutiny coverage (Feb 13); M.B. Joyce, "Understanding the 2026/2027 budget" (Mar 18, 2026).
2. **ADOPTION AND VOTE:** LI Herald, "$141.3M budget adopted" (Apr 2026); "School budget passes" (May 2026).
3. **ENROLLMENT:** NYSED, RVC UFSD, 3,533 (2015-16) to 3,276 (2024-25); district-stated 3,260 projected for 2026-27.
4. **DISTRICT QUALITY:** U.S. News, South Side HS profile; NYSED four-year graduation rate 98% (2023-24); NYSED per-pupil $37,973 (2023-24).
5. **RESERVES AND CAP:** Asst. Supt. figures via source 1; OSC 2026-27 tax-cap inflation factor 2.63%, levy growth base capped at 2%.
6. **COUNTY-WIDE DECLINE, FIGURE BY FIGURE:** 61% of Nassau districts lost enrollment over the decade to 2025, and Locust Valley projects 2,034 to 1,725 by 2027-28, both in LI Herald, April 4, 2025, quoting Nassau BOCES; Long Island enrollment down 6.3% since 2017, W. Suffolk BOCES bi-county study 2017-2026; Hewlett-Woodmere 11 teaching positions cut for 2025-26, LI Herald; Locust Valley 2026-27 budget defeated 850 to 765, and Oyster Bay-East Norwich down 16.5% since 2015, LI Herald, May 2026; Northport closed two elementaries in 2021, Northport Journal.
7. **DEMOGRAPHICS:** ACS 5-yr, Rockville Centre village and Nassau, B25007, ACS 2020-24 (2,081 senior-owner households of 7,444, 28%); B19049; B11007 (38.9% to 39.6%); B19013 ($144,516 to $151,938).
8. **HOME VALUES AND LARGE HOMES:** Zillow RVC (June 2026); ACS B25077 ($818,700); Redfin 28.2%/14.2% (2024), 28%/16% (2026).
9. **CAPITAL-GAINS LOCK-IN:** AEI Housing Center (Pinto): about 1.9M homes, $620B; 26 U.S.C. §121.
10. **EXCLUSION MECHANICS:** IRS Topic 701 / Pub. 523 (widowed single-filer cliff).
11. **FEDERAL BILLS:** H.R. 1340 (Panetta/Kelly): 157 cosponsors, counted from the GPO GovInfo BILLSTATUS XML feed (updateDate 2026-09-05; latest cosponsorship 2026-09-04); a tracker's sponsors-inclusive “158” is the same list plus the lead sponsor; S. 3332 (Cornyn/Bennet).
12. **NY BILLS:** S3309 / A5288 (S3309 cleared Aging 7-0 Apr 2026, died in Finance; A5288 held in committee); S3574; S5175A to Ch. 581 of 2025 (65/60/55% tiers), per DTF 2025 legislative summary; the $75,000 income cap effective July 1, 2027 is carried in RPTL §467(3)(a) statute text ("NB Effective" markers; enacting chapter not in DTF's 2022-25 summaries).
13. **DEFERRAL PROGRAMS:** Oregon DOR; Massachusetts Cl. 41A; Washington RCW 84.38; Texas Tax Code §33.06.
14. **EXEMPTION RULES:** Nassau §467 brochure (rev. 3-26): 65% at or below $47,000, stepping to 5% at $57,500 to $58,399; DTF senior-exemption rules; DTF 2025 final STAR savings (RVC Class 1); Enhanced STAR limits ($110,750 for the 2026 benefit; $113,550 for 2027).
15. **SENIOR-RELIEF LOCK-IN RESEARCH:** Banzhaf, Mickey and Patrick (NBER w25468 / J. Urban Econ. 2021), GSU CSLF, "Tax Relief for the Elderly, But at What Cost?"
16. **LEVY MECHANICS:** OSC, "Property Tax Exemptions in NYS"; RPTL §1306-a; OSC tax-cap glossary (growth factor); NYS transfer tax.
17. **CALIFORNIA:** CA BOE, Prop 19; LAO fiscal analysis.
18. **TURNOVER ECONOMICS:** Horwich, Minneapolis Fed (Nov 14, 2024).
19. **SCHOOL-QUALITY CAPITALIZATION:** Black, S. (1999), "Do Better Schools Matter? Parental Valuation of Elementary Education," *QJE* 114(2), and successor boundary-discontinuity literature.
20. **DISTRICT REORGANIZATION:** NYSED, Guide to the Reorganization of School Districts (incentive operating and building aid).

Next steps

DATA	File a records request with Nassau Dept. of Assessment for §467 and Enhanced STAR counts, tiers, exempted AV by school district; written confirmation of RVC UFSD's §467 adopting resolution from the district clerk.
MEETINGS	Gillen (H.R. 1340) · Bynoe, Palumbo, and Griffin (S3309/A5288 plus deferral act) · Nassau Legislature and Leg. Davis (data plus pilot).
COALITION	Letters from the 61%-club superintendents; one shared data ask.