

Potential school aid cuts worry officials

Districts warned to expect reductions of as much as 15 percent in 2010-11

By John Zucal Managing Editor, Orange Transcript

The looming reduction of school aid in the governor's 2011 budget is sending shock waves through districts statewide. This is especially so for urban areas which rely on Trenton for the majority of funds needed to support their educational programs.

The worries come after reports that Gov. Chris Christie has discussed with school administrators a reduction of education aid by 5 to 15 percent in the 2011 fiscal year budget he is scheduled to present March 16 to the Legislature. The state provided more than \$14 billion in aid to school districts during the 2010 fiscal year, but approximately \$475 million was withdrawn recently when districts were told to use their reserves and "excess" surpluses.

While approximately 100 districts escaped Christie's earlier executive order, all would be impacted this time if his budget includes reductions.

Christie's message would come approximately two weeks before districts are required to publish their budgets and submit them to county superintendents for review. It might leave little time for adjustments, especially since final numbers will not be available close to the beginning of the fiscal year, which begins July 1. The governor's office, however, said districts and boards of education have been given ample warning.

"It is a prudent measure; we cannot be certain what the amount will be," said Michael Drewniak, spokesman for the governor's office, on Monday. "So we asked the districts to budget according to certain scenarios: 5 percent, 10 percent and up to 15 percent."

Orange's schools are receiving approximately \$65.5 million during 2009-10 school year. A reduction of 5 percent would mean a \$3.3 million cut in aid. Nearly \$10 million would be lost under a 15 percent reduction.

"With the state in a fiscal crisis, I understand the governor and Legislature have to do something," said Superintendent Ronald Lee. "But it would have a devastating impact on all districts: increases in class size, reductions in programs, that could lead to declines in student achievement."

Lee suggested the reductions not be done in one year. He said the state should consider slowly decreasing the level of aid over several years.

"To try to do it in one year will cause more problems. It will cause more layoffs," said Lee. "That will cause a loss of state revenues because there will be fewer employees."

The Newark-based Education Law Center has supported Orange as one of 31 former Abbott school districts which now is part of a larger group of low-income districts. Sharon Krengel, the center's policy and outreach coordinator, said approximately 350 districts were expected to receive increases in aid under the 2008 School Funding Reform Act, which mandated more equitable funding among all districts.

Orange is projected to receive \$1 million more for the 2010-11 year under the SFRA.

"Of course, it's the law," Krengel said Monday. She noted the districts' increase would be minimal — tied to the state Consumer Price Index increase at 1.6 percent.

As for arguing against any reductions, Krengel said that while the center has a small staff, districts have greater sources of public opposition.

"We'll always be supportive to the districts and parents, but it will be up to the educators, stakeholders, anyone to pressure the legislators," said Krengel.

Drewniak said "flat" funding, or retaining the same level of school funding for 2010-11 would be preferable but difficult.

"Last year the Corzine Administration used \$1 billion in stimulus funds, but that was a one-time shot," said Drewniak. "What we hope to do is keep it flat, but that does mean filling a \$1 billion hole."

Mayor Eldridge Hawkins Jr. will serve as one of the five members of the Board of School Estimate. The group meets to review and decide on the district's budget for the next school year.

In a statement Monday, Hawkins said any reductions could lead to a backlash from the urban communities.

"The impact on our education programs and property taxes would be devastating," said Hawkins. "If the governor intends to make cuts of that magnitude, I intend to discuss with the Orange Board of Education joining with other urban school districts to mobilize our communities against the cuts."

Assembly Speaker Sheila Oliver, a former member of the East Orange Board of Education, said Monday that Christie's warnings may begin a much-needed discussion regarding state finances.

"Given what we will be confronting, with the requirement of a balanced budget with a project gap of \$10 billion to \$13 billion, I believe the Christie Administration is looking at where to cut the gap," said Oliver. "I think he is helping to make everyone understand that they need to prioritize two things: running a more efficient educational system and an educational system the state can afford."

Oliver noted many services and organizations the state funds will likely receive less in order for state officials to close the budget deficit.