

# Schools, city brace for sting of aid cuts

By Zucal, Managing Editor, Orange Transcript

In the hours following the governor's introduction of his budget proposal to the state Legislature, city and school officials knew what to expect. But the results far exceeded their expectations.

Orange's public schools faced a tight deadline when they learned the next day its basic education aid, the money which funds the district's classroom programs and staff, would be trimmed by \$3.9 million for the upcoming school year. The following day, it was the city officials' turn to feel pain when they found out Orange would be granted \$1.4 million less in municipal aid for the 2011 fiscal year.

The cuts were part of overall reductions in Gov. Chris Christie's proposed budget presented on March 16 to the Legislature. In his \$28.3 billion plan, Christie suggested trimming \$820 million in education aid and \$446 million in municipal aid.

While discussions continue on the 2010 municipal budget, which has not been finalized nine months into the fiscal year, the 2011 reductions will weigh heavily on the city as the months progress.

"His cuts are very hurtful," said Orange Mayor Eldridge Hawkins. "I think the governor's cuts will cause one of the largest tax increases municipalities will see." He said that he hopes Christie and the Legislature will provide municipalities with the power, such as changes in collective bargaining with unions and reductions in mandates, in order to control expenses and limit property tax increases. Orange's schools escaped an early trim in February when Christie signed an executive order which pulled approximately \$450 million in school aid from districts which he said had "excess" surpluses and reserves. He ordered those districts to utilize those funds rather than state funds for the final four months of the school year.

Orange lost about \$35,000 during that cut, but joined all districts in having their 2010-11 aid reduced. While officials in school districts throughout New Jersey received advance warning about aid reductions, Christie's proposal trimmed each district's aid by 5 percent of their general fund budgets, which covers most of their education and support functions.

With a 2009-10 figure of \$78 million, the district would have its aid reduced by \$3.9 million. It is expected to receive \$3.8 million in "other" aid, but state officials said that money is restricted to pension and Social Security costs, extraordinary special education aid and debt service.

Councilman Elroy Corbitt, a former member of the Board of Education, said the reduction in education aid could severely affect the district's ability to strengthen its education program.