N.J. school budgets read like a Stephen King horror novel

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COMMENTARY

For county and municipal officials as well as board of education members reviewing the proposed state budget for fiscal year 2011 must be like flipping through a Stephen King mega-novel, each page bringing new horrors as they struggle to absorb the billion dollar plus cuts in state aid proposed by Gov. Christie.

Layoffs of teachers, police officers, and hundreds of other public employees, sharp cutbacks in school activities and municipal services, and increases in property taxes have become widespread as local officials scramble to cope with the loss of unprecedented amounts of state funding.

While the critical reaction from legislative Democrats and public employee union leaders was expected, rumblings of discontent have surfaced from Republicans as well, most notably Warren County State Sen. Michael Doherty.

Doherty possesses impeccable conservative credentials, but has voiced his concern that the state aid cuts were too much, too fast for municipalities and boards of education to deal with.

Particularly worrisome to Doherty and many of his Republican colleagues is the loss of more than a billion dollars in school aid funds, primarily in suburban districts represented by Republicans.

The proposed reductions in local aid have become the flash point as school districts came to the stunning realization that they stand to lose between 20 and 100 per cent of their funding.

While they welcome the pledge by the Governor to provide new or expanded authority to cut and control costs, most of the changes have yet to be enacted and the impact of others may not be fully felt for another year.

For municipalities and school boards, the difficulties they face are immediate.

They have or soon will feel the wrath of their constituents as they announce layoffs of police officers, firefighters, and teachers and pile the cutbacks in personnel and services atop triple digit dollar increases in property tax bills.

Christie has steadfastly maintained that the aid cuts are necessary because the state no longer has the financial resources to continue to spend as it has in the past and that the reductions will eventually result in a far more stable and responsible fiscal environment for government at all levels.

His recently called for public school teachers to accept a freeze on salaries, forego scheduled increases provided by contracts currently in force, and re-open contracts to identify givebacks and other cost-cutting steps.

Public employee unions and the leadership of the 200,000-member New Jersey Education Association know neither the Governor nor local governments can unilaterally impose a wage freeze or refuse to comply with contractual obligations. They have dismissed the Governor's suggestion as one more skirmish in his running political battle with public employees.

The Governor's view that the lack of discipline and responsibility in state budget operations produced the current distortion in the ratio of spending to revenues is both legitimate and accurate. Even his most outspoken critics concede his point.

He must, though, be experiencing some level of concern over Doherty's comments, for example, as an indication that others feel much the same way.

Seeking legislative support for budget cutting is generally accepted. Asking Republicans in this case to vote against the best interests of their constituents, however, will meet with considerably greater resistance.

Democrats have already ratcheted up the pressure to reinstate the state income tax surcharge on incomes in excess of $400,000 and allocate all or some of the one billion dollars it generates to restoring state aid to local school districts. Senate President Steve Sweeney was unequivocal in his comments that the Legislature would not approve a budget without the
surcharge, setting up a bitter and protracted confrontation and the possibility of another shutdown of state government by failing to produce a budget by the June 30 deadline.

Democrats argue that the year's worth of relief the tax surcharge revenue provides to school districts will allow sufficient time to see them through this year and take full advantage of state-mandated cost cutting measures in 2011. The argument is bound to have some appeal, even to Republicans who are feeling the pressure from officials and taxpayers in their districts who will hold them accountable for property tax increases.

Christie has adamantly opposed the revival of the surcharge, calling it a tax increase that will further harm an economy in distress. He has also criticized it, with some justification, as an example of the kind of action which merely postpones facing up to problems and allows them to fester.

The Legislature has until the end of June to arrive at a consensus on the budget, three months guaranteed to be one of the most politically charged in recent memory.

Local officials may want to put aside the Stephen King novel they've been handed in favor of something a little more pleasant. Hopefully, it won't turn out to be Hamlet; everyone dies in the end.

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