

Opinion: School funding issue back in Legislature's court

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THE RECORD

WHILE THE REACTIONS to Tuesday's Supreme Court ruling directing an additional \$500 million be distributed to at-risk school districts was fairly predictable. Republicans lambasting the court for overstepping its bounds and Democrats pounding the governor for shortchanging public education, a closer examination suggests that both sides could just as easily have breathed sighs of relief at the outcome.

By limiting its decision to the 31 districts once called Abbotts, for instance, the court substantially reduced the cost to the state and, in effect, accepted however grudgingly the nearly \$1 billion in aid cuts implemented by the administration since last year.

Changing the court's makeup

The governor can continue to assert that the court has once again inserted itself into the tax-and-appropriations process that is the constitutional prerogative of the executive and legislative branches, and that only a change in the court's membership will set the balance of power right.

He'll maintain that pouring additional millions into under-performing school districts is a failed theory and has produced negligible improvements in student outcomes.

The narrow scope of the decision allowed Christie OaP(t9hav Tc -.00di.5(e h TD -.000J T*ybody O -1.42-5.T

convinced that it was not a serious response and that his respect for the rule of law would preclude open, unprecedented defiance and the constitutional crisis it would have produced.

The decision also averts multibillion-dollar budget cuts in everything from aid to hospitals to higher education to senior citizen programs that he said would have been necessary if the court had ruled in favor of the Education Law Center's quest for \$1.7 billion in additional aid.

Moreover, he is in a position to make the argument that the court recognized and accepted the contention that the state's dismal financial condition demanded strong and bold action to reduce spending and restore fiscal discipline.

For the Democrats, the decision allows them to continue to criticize the governor for the aid cuts and to blame his administration for driving up local property taxes and balancing the budget on the backs of school children in poor communities and failing schools.

With the recent revelation that income tax revenue was running ahead of projections \$500 million to \$900 million, depending on whose estimate is believed the Democratic leadership can dip into that money pool, satisfy the court decision and sidestep any budget cuts or tax increases.

The initial reaction of some Democrats that the court decision emphasized the need for a reinstatement of the millionaire's tax was a strategic error, serving only to reopen a fight they cannot win.

Should the Democrats muscle the surcharge through the Legislature, Christie will most certainly swiftly veto it as he did last year and argue that Democrats are more eager to have an issue than have a solution.

Tax hike 'unnecessary'

Sufficient revenue, the administration will contend, is available to comply with the court directive and a tax increase is unnecessary and harmful to a fragile economy in the early stages of recovery.

When Christie vetoed the surcharge last year, he did so at a time of severe financial stress and suffered minimal public backlash. There is no reason to believe he'd hesitate to take similar action this year when the revenue picture is brighter.

A possible casualty of the decision, however, will be Christie's plan to direct the unanticipated tax revenue to an expanded homestead rebate program. Had the court not meddled, he can say, additional relief could have become reality.

There is some sympathy in Democratic circles to go beyond the court decision, restore the entire \$1.7 billion and force Christie to resist, even though a substantial chunk of the money would flow into school districts in suburban areas, the source of much Republican political strength.

Property taxpayers in those districts are hurting, the theory goes, and want relief. Many would blame Christie and legislative Republicans if, when presented an opportunity to ease the tax burden, they refused.

While the decision resolved the funding issue in the short term, it also ensured that the court would remain a player — perhaps the dominant player — in the future.

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