Economic "Perfect Storm" threatens to wreck US public education

New York governor proposes $1.24 billion in school cuts

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Public schools in New York City are facing budget cuts on a scale not seen since the city teetered on the edge of bankruptcy in the 1970s. Those responsible for this slashing of funds for the largest school system in the country have billed themselves respectively as the "education mayor," the "education governor" and the "education president."

New York City Mayor Michael Bloomberg, a billionaire Republican, has warned that he may fire 1,900 teachers in the face of state budget cuts. New York State's Republican Governor George Pataki has proposed slashing state aid to education by $1.24 billion for the 2003-2004 school year. A year after the passage of the No Child Left Behind Act (NCLBA), President Bush's budget proposes cutting 47 separate education programs.

In a report entitled "Pick Your Poison," the New York State Council of School Superintendents (NYSCOSS) used the analogy of the "Perfect Storm," based on the film of that name, to explain how past and present budget policies are converging with the deepening economic downturn and growing school spending needs to unleash an educational disaster.

Expanded educational spending during the boom of the 1990s was insufficient to resolve the dire problems of the schools. With the shrinking economy cutting tax revenues and most state governments required to balance their budgets, massive spending cuts are planned. Especially important in New York is the dizzying decline of the stock market, which has gone from being the main prop of public budgets to the poorest performer of all the state's economic sectors.

The deficit crisis, however, cannot be blamed entirely on Wall Street and the national recession. Suspect accounting procedures are as pervasive in state government as they are in the corporate world. Nearly 10 percent of the 2002 budget was made of one-shot, nonrecurring infusions from New York's share of the national settlement with tobacco manufacturers. This was arranged to boost Governor Pataki's image in an election year. Similarly, Pataki proposes to close the 2003 deficit with more borrowing on the tobacco funds and "spending restraint."

Meanwhile, the demand for school spending has increased substantially. The increased emphasis on high-stakes testing resulting from the so-called movement for higher standards obliges more resources to help students pass New York State Regents Examinations in five subjects. At the same time, costs are being driven up as premiums for teachers' health insurance are rising 15 to 20 percent, and many districts have to shoulder more of the costs of employee retirement benefits that were previously covered by a rising stock market.

New York State has a $2.2 billion deficit in the current year and a $9.3 billion deficit projected for 2003-2004 out of an overall budget of $90 billion. Pataki proposes to cut the education budget by 8.5 percent to $13.4 billion, leaving districts with huge deficits averaging 10 percent. Deficits of this magnitude will undoubtedly result in both severe cuts and major property tax increases.

Raising property taxes will impact poorer districts far more harshly, according to the NYSCOSS report. Pataki has touted figures that indicate wealthier districts will lose a larger portion of their aid. But when the cuts are examined relative to the concentration of children in need of greater services in a district's schools, it is clear that the neediest districts—New York City chief among them—suffer more deeply. Since state aid is a smaller portion of wealthier districts' revenue because of higher property taxes revenue, cuts in state aid have a greater and more inequitable effect on poorer districts.

Restrictions enacted under previous state legislation impose limits on the amount districts can increase their budgets. These increases will scarcely cover increased pension contributions, and will likely fall short of the amount needed to meet scheduled teacher salary increases. If the districts honor teacher wage contracts, they will be forced to cut staff as was done in 1991-92. Those cuts will fall first on non-mandated programs: tutoring to deal with new education standards, class sizes, extracurricular activities, etc.

Since 1990, the New York legislature has met its May deadline for passing the annual state budget only three times. This practice multiplies the effect of the cuts. Assuming that there is a delay in 2003, districts will be compelled to cut budget proposals which, once adopted, cannot be increased—even to save staff positions if there are subsequent restorations of state aid.

The majority of cuts in New York State fall on programs that are targeted to poorer urban areas. Governor Pataki seeks to completely eliminate funding for universal pre-kindergarten, class-size reduction, minor maintenance of school buildings and full-day kindergarten—all programs enacted in 1997. BOCES (Board of Cooperative Educational Services) aid would be reduced by 25 percent. Aid for school construction would decline by $144 million.

Funding for programs to mentor new teachers and to support teachers having difficulties would be cut by two-thirds. No funding would be provided for grants to help teachers earn National Board Certificates. All funding would be eliminated for Community Schools, Extended Day/Violence Prevention after-school programs, parenting education, primary mental health and school health projects.

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In higher education, Governor Pataki's budget calls for cuts in direct support of $183 million for the State University of New York and $82 million for the City University of New York. It recommends that a third of the grant money students would receive through the state's Tuition Assistance Program be postponed until they graduate. The budget plan also calls for the public universities to raise annual undergraduate tuition by $1,200 to make up for the cuts.

New York's crisis is not unique. The combined budget deficit confronting a majority of the states is approximately $50 billion. The fiscal crisis presently plaguing state governments is the worst since World War II according to the National Governors Association.

Minneapolis faces the proposed elimination of 289 teaching jobs. Baltimore's school board had plans to furlough all 12,000 of its school employees for several days, but angry protests by parents and teachers may lead to three or more unpaid days off for 30 top administrators. Portland, Oregon may slice another nine days from the school year after already chopping 15. In San Diego, the school board voted to cut another $47 million from this year's $1.1 billion budget, only months after cutting $10 million. The district faces the prospect of having to cut $150 million or more from its budget next year.

In the Los Angeles district, officials are trying to reduce this year's nearly $10 billion school budget by $240 million and will have to chop the same amount from next year's. Class sizes may have to increase for the second time in less than two years. Austin, Texas district leaders are hoping the state legislature will provide relief to avoid a layoff of 450 full-time and part-time teachers and teaching assistants. Seattle's school system is cutting $12 million. It is eliminating 10th grade summer school, putting off textbook purchases, reducing professional development and paring back administrative personnel and services.

Boston school principals have been asked to cut their 2003-2004 building budgets by 10 percent or $40 million in anticipation of a $100 million budget shortfall for the city. A $15 million deficit this year resulted in a freeze on filling vacant positions and buying office and classroom supplies. The new deficit will likely lead to larger class sizes, school consolidations and staff layoffs, according to a district spokesman.

In Florida's Miami-Dade County, shrinking public school enrollment is resulting in less state aid. Florida is a model of what right-wing forces hope to see. Charter school enrollment has climbed, there is increased participation in a corporate scholarship program for private schools and immigration has declined.

The greatest share of education budgets comes from state income tax and local property taxes but the federal government provides vital resources to the schools. President Bush's tax cuts favoring the rich are transferring the burden to states to expand budget-cutting and taxes against those who can least afford them.

From the start, Bush's No Child Left Behind Act (NCLBA) encouraged the siphoning of money from public schools through vouchers and charter schools and by promoting student transfers from failing schools. Now the sections of the act purportedly designed to help the schools have been exposed as fraudulent.

There is no new funding for teacher training programs, yet NCLBA calls for a high-quality teacher for every classroom. The budget also cuts the $10 million School Leadership program designed to attract, retain and train principals. The budget cuts $400 million from before and after-school programs for high-poverty students as well as eliminates the Dropout Prevention Program and grants for creating smaller schools.

Badly needed federal funds for public education are diverted to private schools through over $75 million for a vouchers demonstration project. Funding for Title I programs (aimed at schools with high concentrations of low-income students) is more than $6 billion below the level authorized in the Elementary and Secondary Education Act (ESEA) for fiscal year 2004. The $9.6 billion federal contribution for the Individuals with Disabilities Education Act is about half of what was promised when it was originally enacted in 1975.

Anne L. Bryant, the executive director of the National School Boards Association, stated in *Education Week*, "It feels like there is a new agenda without the resources to meet it."

The Bush administration expects states and localities to make up the shortfall. Yet, in the face of this burden, New York Governor Pataki has refused to allow an increase in state taxes. Instead he is emulating on the state level the Bush tax cuts that are transferring vast sums of wealth to the already wealthy.

The United Federation of Teachers last year endorsed Pataki in his successful campaign for a third term. In return, Pataki engineered a one-time allocation of state funds to pay for the first year of a UFT contract. Now, budget projections assume no future collective-bargaining increases and the union bureaucrats are announcing their desire to find spending "efficiencies."

New York City's school system is going through a reorganization on a scale unseen since the 1960s. The mayor has won control over the school system, dismantling the elected Community School Boards. His "Children First" project, having quickly run into the dead end of dwindling resources, is being exposed as window dressing for the attack on school budgets.

Asserting that the state should follow the example set by last year's legislation giving the mayor control over the New York City school system, Governor Pataki is calling for the power to select the majority of the State Board of Regents to be transferred from the State Legislature to himself.

The public education system is being set up for a disaster that big business and its politicians will use as a pretext for demanding its privatization. Just as with Social Security and Medicaid or Medicare, the large budgets in public education are an irresistible target for declining financial markets desperate for fresh infusions of capital robbed from the masses of working people.

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