

The Times

Districts fear aid may be day late, dollar short

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TRENTON - Cash-strapped state officials are insisting that at least \$100 million in approved aid for New Jersey's poorest districts is coming soon.

But in the meantime, Trenton school officials have wound up paying their utility and insurance bills late, while others among New Jersey's 31 so-called Abbott districts are wondering whether they will confront similar problems.

The cash-flow problems stem from a last-minute budget deal in June that saw state officials agree to pay for inflation-related increases in budgets for Abbott districts without allocating the money to pay for it.

State Assistant Education Commissioner Gordon MacInnes said he has received repeated assurances from the Codey administration and the Treasury Department that the extra aid will start coming as soon as next month.

But those assurances have been made before, he acknowledged.

And the result is uncertainty about whether the money actually will arrive, said David Sciarra, executive director of the Newark-based Education Law Center, which is an advocate for the districts.

His organization pegs the amount at \$137 million, while MacInnes estimates it at \$100 million.

The effects have been unmistakable in the Trenton district, said interim Business Administrator Nancy Swirsky, where the administration also is coping with delays in receiving federal funds and state aid for added preschool enrollment.

Swirsky said employees have gotten paid on time, as have vendors for items such as textbooks.

But utility and insurance payments were delayed until the state came through with cash advances for \$11 million out of \$12 million owed.

"We were behind," Swirsky said. "That's the only thing you can do is hold back on purchasing orders for big-ticket items like utilities and insurance."

Burlington City Business Administrator Craig Wilkie said for December he's unsure what his district will have left after payroll.

"For the month of December, we're only paying the bills we have to pay," he said.

MacInnes said he has solid assurances from the administration that the money will come. He said the shortfall shouldn't be enough to harm districts.

"I doubt seriously that any district is not in position to pay bills," MacInnes said.

He said he expected the aid to be provided starting in January, plus retroactive payments to make up for what wasn't sent out from September to December.

Recently retired Trenton Business Administrator Melvin Wyns, who formerly headed the state Education Department's finance division, said districts should be accustomed to delayed preschool and federal aid. But the Abbott aid problem is new, he said.

"Districts can't expend money they're not receiving," Wyns said. "Until it happens, there's no assurance" the money will arrive.

Added Sciarra: "No one's panicking, but concern is rising."

Pemberton Township Business Administrator Pat Austin said her district is owed about \$1.1 million but can weather the effects by dipping into federal aid toward the costs of educating children of Fort Dix military families. NOTE: Contact Larry Hanover at lhanoover@njtimes.com or at (609) 989-5726.

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